October 8, 1938

CHINA TODAY AND THE FUTURE

America in the Orient
By Maurice Votaw

★

U.S. Flag's First Oriental Trip
By Verne Dyson

★

China Looks Southwest
By John Ahlers

★

A New China and A New Civilization
By C. Y. W. Meng

★

What We Should Do About the Orient
By Emory W. Luccock

China and Japan After A Year of War
By Nugent Rugge

★

Is the Sleeping Giant Awakening?
By Nym Wales

★

The New Exodus in China
By C. Y. T'ang

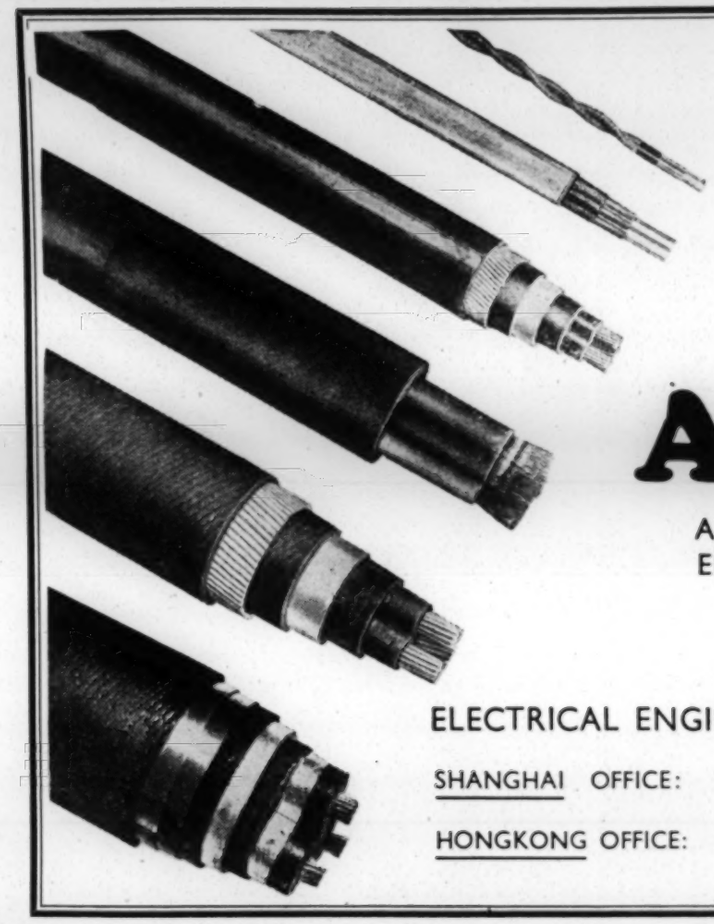
★

Enmity of a Hundred Generations
By T. S. Young

★

The Situation in Hankow Today
By K. J. Eskelund

THIRTY CENTS A COPY (In Shanghai) FORTY CENTS ELSEWHERE
Volume 86 Number 6



CABLES
and
WIRES
of every description

北國沙城電器製造工廠

A.C.E.C.

ATELIERS DE CONSTRUCTIONS
ELECTRIQUES DE CHARLEROI
BELGIUM
(Capital: 105,000,000 Frs.)

ELECTRICAL ENGINEERS AND MANUFACTURERS

SHANGHAI OFFICE: 362/3 Hamilton House P. O. Box 473 Telephone: 14980

HONGKONG OFFICE: 417 Asia Life Building P. O. Box 904 Telephone: 23473

Shoes for Autumn
for the whole Family
Economical-Comfortable-Reliable

Bata

BRANCHES THROUGHOUT THE CITY

715 NANKING ROAD—TEL. 95737
250 NANKING ROAD
1125 BUBB. WELL ROAD—TEL. 32536

915 AVENUE JOFFRE—TEL. 71705
597 AVENUE JOFFRE—TEL. 85132
1312 AVENUE JOFFRE

THE MERCANTILE BANK OF INDIA, LIMITED

(INCORPORATED IN ENGLAND)

Head Office: London Shanghai Office: 4 The Bund

SUBSCRIBED CAPITAL . . .	£1,800,000
PAID-UP CAPITAL	1,050,000
RESERVE FUND	1,075,000

INTEREST ALLOWED ON LOCAL CURRENCY CURRENT ACCOUNTS AT THE RATE OF 2% PER ANNUM.

Current and Fixed Deposit Accounts opened in Sterling as well as in Local Currency. Banking and Exchange Business of every description transacted. Trusteeships and Executorships undertaken.

AFRICA
AMERICA
ASIA
AUSTRALIA
OR EUROPE

In every part of the world hundreds of representatives of the AMERICAN EXPRESS TRAVEL SERVICE — couriers, guides, interpreters, are stationed to meet planes, ships, trains and assist you through the Customs.

You may travel with perfect ease and enjoyment because the brilliant background of the AMERICAN EXPRESS in world-travel knowledge and service insures you carefree travel.

THE AMERICAN EXPRESS TRAVELERS CHEQUES

are negotiable everywhere, are recoverable even if lost and come in convenient U.S. $10, $20, $50 and $100; £2, £5, and £10; and RM.50 and RM.100 denominations. We shall be pleased to give you the fullest details if you call at our office or

●

DIAL 16278

THE AMERICAN EXPRESS CO., INC.

158 KIUKIANG ROAD TELEPHONES 16276-8

What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

Dr. Baker's Proposal

The Commentator, *China Weekly Review*:

I listened with interest last evening to your appeal for attention to the problem of child beggars and thieves on the streets of Shanghai. May I suggest that the solution for this problem is the establishment of a large camp in the open districts in the western part of the city, and the removal thereto of the 12,000 refugees now living in vacant stores and other buildings in the central district? A start on this is being made while this is being written. Three new camps are being opened on Yenping Road today, and during the ensuing week to which about 6,000 refugees will be transferred. It is the expectation of those in charge of the matter that a very considerable number of refugees subject to transfer will find other means of maintaining themselves, rather than to make this transfer. So, probably considerably over 6,000 will be moved out of the central district during the coming week. Once these camps are entirely removed from the central district, the children from them will no longer be on the streets. While some 7,000 persons are on the street without being in camps, a great proportion of the children that are now begging come from camps. In any case, if the camps in the western district were established; it would be comparatively easier to take care of all of those now apprehended in connection with begging and petty pilferage. I presume you are aware of the small effort at reforming the real wild-boys who are now housed in part of the Ward Road Jail premises, fed in part by the Shanghai International Red Cross and managed by the Salvation Army.

JOHN EARL BAKER
China International Famine Relief Commission.

Shanghai, October 1, 1938.

Butchery in Pakhoi

The Editor, *China Weekly Review*:

Perhaps you have never heard about the horrors of the Japanese Imperial Navy around Pakhoi. If so, I shall be glad to furnish you some information. Pakhoi is a small seaport in the southwestern part of Kwangtung province. Having foreign trade of but small volume and few steamer calls, it can hardly claim the notice of Shanghai newspapermen. But it is not so with the Japanese Navy. They have constantly been paying attention to it and had actually made several attempts at landing there, the last one being on August 24, but were repeatedly repulsed. What horrified me, however, was not the strategical attempts but the atrocities they committed in and around the harbor. To Pakhoi Japanese cruisers were by no means strangers, and the people there had got accustomed to them, thinking they could do no harm before the fall of Hankow. Failing in getting ashore in their first attempt, the Japanese Navy hit upon the idea that they could yet avenge themselves and save their own face by butchering the Chinese civilians. So they frequently collected fishing boats and other ships, set fire to them and slaughtered innocent Chinese on board, either by summary shooting or by throwing them overboard. Enraged, harmless Pakhoi firshermen decided upon resistance. When Japanese cruisers came again on June 8, several fishing boats actually fired on them with their ancient and hardly effective cannons. I left Pakhoi August 25.

W. J. Y.

Shanghai, Sept. 30, 1938.

Reader W.J.Y.'s observations give credence to the report that Japanese have occupied an island off Pakhoi, established an air base from where naval planes take off to bomb Yunnanfu, some 500 miles distant and the seat of a number of Chinese government offices.

Road Building

The Editor, *China Weekly Review*:

Public highways leading from important Szechuen towns to Yunnan and Kweichow are being fast reconditioned as required by the central military authorities at Chungking, while thousands of men are now at work on a modern road extending westward from Ya-an, Szechuen, towards Burma, by way of Sikang and Tibet. That labor corps of a thousand and ten thousand strong may be formed over-night may be explained by the fact that, these days, all able-bodied men in west China are being fast trained for organized service, especially military. A physically-able man in this part of China, once listed and trained, is either made an active or reserve member of the local militia, and he may be summoned to the colors any time, sometimes given a shovel, sometimes a rifle, and sometimes a police baton. In a city, one may be assigned to a volunteer fire-brigade or an ambulance company. In Pahsien, of which Chungking is a part, there is now a strength of 115,056 able-bodied men. Practically in every village and town behind China's "life line," a force may be mobilized at any moment. These service corps in west China may be called upon to render any work reasonably required of them. The Szechuen authorities are proposing to use some of them in reclamation service in outlying districts where pioneering work has to be done. Past experience in Suiyuan, northwest, has shown that such farm labor would not only in sure self-supporting to the organization undertaking the service but also provide extra income and better food for the men.

The central military authorities these days, to expedite road construction who are finding contributed labor insufficient, are also asking contractors to participate in this phase of public works. In west Szechuen, some contractors are able to build a regulation highway at less than a thousand dollars a kilometer.

HIN WONG.

Chengtu, Sept., 1, 1938.

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher
EARL A. SELLE, Assistant Editor
HOH CHIH-HSIANG, Editorial Dept.
T. V. KU, Advertising Dept.
F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

BY AIR-MAIL—TO HANKOW AND ELSEWHERE IN CENTRAL, WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $28 A YEAR OR $15 FOR A HALF-YEAR.

Contents

Editorial Paragraphs

What Japan Plans to Do About the Future of the Chinese Republic 167
How to Live in Shanghai on $75 (U. S. $12.) a Month! 170
China's Culture and Industry Moves Toward Southwest and Prospers.....By John Ahlers 172
Tokyo Drops Another Foreign Minister and Curbs Future Diplomatic Activity ..... By H. C. H. 173

Special Articles

A New China and a New Civilization ..... By C. Y. W. Meng 176
America in the Orient.....By Maurice Votaw 178
Is the Sleeping Giant Awakening?...By Nym Wales 180
Hankow Cheerful as Japanese Army Advances ... By K. J. Eskelund 182
What America Should Do About the Orient ..... By Emory W. Luccock, D.D. 184
The U. S. Flag's First Oriental Trip ..... By Verne Dyson 185
'An Enmity of a Hundred Generations' ..... By T. S. Young 187
China and Japan—After a Year of War .....By Nugent Rugge 188

Departments

What People Are Saying..... 165
Outstanding Events in the Sino-Japanese War..... 194
Who's Who in China 206
Men and Events 207
New Books of Interest in the Far East 211

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

GENERAL MOTORS
CHINA LIMITED
201 Route Card. Mercier
Shanghai, China

●

Passenger Cars

BUICK — CHEVROLET — CADILLAC — LASALLE — OLDSMOBILE — PONTIAC — VAUXHALL — OPEL

Commercial Vehicles

Chevrolet Commercial Cars and Trucks, General Motors Trucks and Trailers, Opel Commercial Cars and Blitz Trucks, Bedford Commercial Cars and Trucks, General Taxicabs and Yellow Coaches.

FRIGIDAIRE

Household and Commercial Refrigerators and Refrigeration Units. Beverage and Water Coolers. Ice Cream Cabinets. Milk Cooling Equipment.

DELCO-FRIGIDAIRE

Delco-Frigidaire Air-Conditioning and Heating Equipment. Delco Lighting Equipment and Household Appliances.

ENGINES AND LOCOMOTIVES

Diesel and Gasoline Engines for Marine and Stationary Use. Diesel Locomotives. Diesel Power Plants for Streamlined Trains.

ACCESSORIES

A. C. Spark Plugs. New Departure and Hyatt Bearings.

ZONE OFFICES

HONGKONG
224 Hongkong & Shanghai Bank Building

TIENTSIN
70 Consular Road

GENERAL MOTORS PARTS DEPOT
HONGKONG

Twilight of an Empire

The Editor, *China Weekly Review:*

Just by the way of exchanging information on the newspaper situation, the Hearst empire is continuing to crumple. The **Chicago Examiner** just became a tabloid, **The Mirror** in New York is believed on its last legs. In spite of the amalgamation, the combined **Journal-American** is doing worse than the **Journal** did alone, I'm told. The **Post** is having hard sledding for financial reasons. It's editorial policy is brilliant but inconsistent. Hearst has managed to keep his organs fairly intact on the Pacific Coast, but he has no organs that anybody reads out on the Atlantic Coast, anymore, except a yellowish product in Washington.

EDWARD HUNTER.

New York, September 12, 1938.

For Posterity

The Editor, *China Weekly Review:*

Your publication arrives regularly and I prize it highly. In fact, when I have finished with them, I carefully preserve them and then turn the issues over to the State Library, State of Washington, for permanent preservation.

HORATIO C. FLAGG.

Olympia, Washington, Sept. 12, 1938.

In the United States Court for China

HARRY MORRIS STUCKGOLD, *Plaintiff,*	Cause No. 4361
	Civil No. 2240
vs.	ORDER
MARGARET ELIZABETH STUCKGOLD, *Defendant.*	Filed at Shanghai, China September 26, 1938.
	WILLIAM T. COLLINS Clerk.

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorney, has this 26th day of September, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 26th day of September, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court;" and

WHEREAS it appears from the files of this case that on the 26th day of September, 1938, Harry Morris Stuckgold, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 26th day of September, 1938;

NOW THEREFORE it is this 26th day of September, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 15th day of October, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

NELSON E. LURTON,
Special Judge.

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 86 | Shanghai, China, Saturday, October 8, 1938 | Number 6

WHAT JAPAN PLANS TO DO ABOUT THE FUTURE OF THE CHINESE REPUBLIC

IT is appropriate and timely to consider Japan's program in China on the occasion of the observance of the twenty-seventh anniversary of the founding of the Republic.

The Japanese have now been waging war on the Chinese people for seven years—counting the interlude between 1932 and 1937 as a state of war—which it was.

There are many reasons why the present is an occasion of transcending importance. The Japanese are well on their way to Hankow, popularly known as the "Pittsburgh of Asia" due to the great resources of coal and metals in that area. Strategically the city is also of vast importance because it commands the "bottle-neck" of the Yangtsze, leading to, and controlling the empire of Szechuen. It also dominates the only trunkline railway passing through the heart of the country from north to south.

As the campaign for the capture of Hankow has been a costly one, in both manpower and treasure, the Japanese have made elaborate preparations for celebrating the expected victory. Emperor Hirohito will issue a proclamation or rescript wherein, according to newspaper reports, Japan will relegate the present recognized National Government of China to the status of a provincial or at least, sectional military regime. The rescript, already drafted by the general staff of the War Department, for Emperor Hirohito to read, probably will say that Japan regards her major objective—the destruction of the regime of General Chiang Kai-shek—as accomplished!

In addition to this, the Japanese have been moving Heaven and earth to get the scenery in position for staging a historical spectacle in Peiping. Simultaneously with the fall of Hankow, the Japanese warlords were preparing for the inauguration of a new 'united' government for China in the ancient capital—now Peking again.

But things have not gone smoothly in that regard, for various reasons. In the first place, the Japanese Army is not united on the desire for a central government, even a weak one. In the second place the Chinese puppets, particularly those at Nanking balked, at the farcicality, and refused to go to Peiping. It thus became necessary for the Army general staff to send its No. 1 spy, political manipulator and dispenser of bribes —Doihara—to Shanghai. Doihara, who is the real head of the so-called "SSS" or Special Service Section of the Army, flew here and literally kidnapped three leaders of the Nanking "Reformed" Government who were residing under Japanese guards at the New Asia Hotel in Hongkew. They were Liang Hung-chih, Wen Tsung-yao and Chen Chun. Doihara flew them to Dairen, Manchuria where he sat in on a "conference" between these satellites of the Japanese Army in Central China and other satellites of the Kwantung branch of the Army which rules Manchukuo and North China.

The result was the formation of a so-called "Joint Committee To Prepare for the Merger of the Peiping Provisional and the Nanking Reformed Governments." The Nanking group didn't fare so well in the amalgamation, serving only as window-dressing, so to speak, because most of the political plums went to the Peiping group, puppets of the Kwantung Army. The inauguration of the Committee on Sept. 22—attended chiefly by Japanese army officers, apparently followed the precedents of Mukden, after the occupation of that city in the fall of 1931. According to foreign correspondents in Peiping, the Japanese only sent invitations to Chinese who were 50 years of age or over, to attend their party.

As majority opinion among Japanese army officers particularly the dominating Kwantung faction, does not want any central government in China, one wonders why they went to the trouble of planning to form such a political entity for public exhibition—after the fall of Hankow! The reason was due to political and economic pressure within Japan and diplomatic pressure outside. Foreign governments have been asking the Japanese what they intended to do—aside from causing the "downfall" of the regime of Gen. Chiang Kai-shek! In view of past pronouncements about preserving the Open Door and political-territorial integrity of the country, the Japanese government couldn't announce its real intentions, or at least the intentions of the Army —the creation of a semi-colonial regime.

From the standpoint of domestic economics and politics in Japan, it was necessary to create a central regime somewhere in China which could be used to give an atmosphere of legality to what the Army has done, particularly the creation of the two officially chartered companies which the Japanese plan to use in exploiting the human and material resources of North China and the Yangtsze Valley. The Japanese have also been pressing their European anti-comintern allies to join in "recognizing" the new united regime in Peiping. The Japanese papers carried a report on Sept. 26 that the Charge d'Affaires for Gen. Franco's portion of Spain, which Japan has recognized, had secretly departed from Tokyo for Shanghai for the purpose of recognizing the new central government in China "together with Italy." The Tokyo *Yomiuri Shimbun* stated that Senor Francisco Jose Del Castillo had secretly departed from Tokyo immediately following the organization of the joint-commission in Peiping on Sept. 26.

THE KIND OF GOVERNMENT WHICH THE JAPANESE WANT

Fortunately we have a fairly complete description of the type of government which the Japanese are planning to set up in Peiping. It was written by Bunroku Yoshioka,

East Asiatic Editor of the Tokyo *Nichi-Nichi* and was published in the October issue of the magazine *Kaizo*.

He said that for fifteen years there had been discussion of what should be done about the problem of government in China, whether there should be a revival of monarchy, joint control by the powers, division of the country into three parts or an "autonomy of federal provinces." But while the subject was under discussion Chiang Kai-shek stepped into the arena of politics and won laurels with amazing rapidity . . . . imitating Bismark and Lenin he achieved centralization of government. To quote from the Japanese writer, "Chiang Kai-shek consigned all desk theories into the limbo of oblivion by actually organizing a central government."

But Chiang's government, established "in imitation of the statesmanships of Bismark and Lenin, was destined to clash with that of China's neighbor" to quote the exact words of Writer Yoshioka. But be prepared for something more startling: "China's victory over her neighbor would have meant her rise to the proud position of one of the world's first-class powers."

One must admire the frankness of Mr. Yoshioka. He said, "with the vigorous growth of nationalism, the Chiang regime became more and more powerful . . . . the strengthening of a centralized regime in China would have been impossible without such nationalism."

And still more frankness: "Chiang Kai-shek succeeded in setting up a unitary regime by awakening the nation at large to the necessity of upholding nationalism . . . . . He accomplished the task of turning the whole of China into one economic unit; he brought about economic centralization."

But Japan should guard against a repetition of such dangerous developments in China, according to the Japanese writer . . . . "because, if the sphere of economic influence in China remains as it is, after the overthrow of Chiang, the establishment of another *unitary regime* would not be an impossibility."

Therefore, to guard against the future unification of China, and prevent the Kuomintang Party—in cooperation with the Community Party—from adopting Lenin's tactics by inspiring the multitudes with anti-Japanese sentiment, Japan must create a "Federal Provinces-Autonomy Regime" in China . . . . "along such lines should Japan's policy of guiding China's new regimes be formulated."

Now for the great political secret: "What is desirable for the peace of East Asia is a political form which does not require the sort of nationalism that existed, and still exists, under the Chiang regime . . . . what I think will happen is the division of China into several suitable regions, each with a government most appropriate to the economic, political and geographical conditions of the district and inter-related with one another."

From this point, Mr. Yoshioka's theories become somewhat hazy due to an extended discussion of China's cultural and economic development over the past fifteen years. The division of the country, into 18 provinces, in Mr. Yoshioka's opinion, was incommensurate with the political and economic nature of the country . . . . it was responsible for the civil wars . . . . therefore China should be divided into five principal regions, each with its own independent regime . . . . in the reorganization of the country's political system . . . . the principle should be followed of one regime to each political unit . . . . this is the case at present and is destined to be so in the future"

"Japan's object will and must be attained" and, he continued, "the downfall of the Chiang regime will mean the bankruptsy of China's economic centralization based on the Chekiang plutocracy . . . . the probability is that China will cease to be one economic unit and will find herself once more in the conditions that prevailed about a dozen years ago."

Mr. Yoshioka then explained that the financial capital of the National Government, under Gen. Chiang, had exceeded $2,700,000,000 in 1933 and had reached $7,300,000,000 just before the outbreak of the Sino-Japanese conflict. But the hostilities had dealt the financial groups a heavy blow . . . . Tientsin, Hankow

"JAPANESE PEOPLE MUST MAKE SACRIFICES"

The above cartoon by Fitzpatrick in the St. Louis Post-Dispatch was based on the official statement of the Tokyo War Department that the "Japanese people must be prepared for sacrifices."

and Canton were no longer dependent on Shanghai . . . which proved that conditions were reverting to the era preceding the birth of the Nationalist regime.

Finally, he disapproved of the maintenance of two chief governments—in North and Central China—and said it would be disadvantageous to place these regions under a unitary government—as they were not keeping pace with each other in politics and the same situation prevailed with regard to the "Federated Mongolian Border Provinces and the Peiping and Nanking regimes . . . . thus the way was being paved for the "creation of a united China on a federal system."

SCHEME TO KEEP JAPANESE ARMY IN CHINA PERMANENTLY

That the scheme, outlined above, accords with the wishes of the Imperial Army is obvious, because the Japanese have no intention of returning the main contingents of their armed forces to Japanese soil. The plan, outlined in the foregoing, to split up China into a number of semi-independent regimes bound together into a loose federation by a puppet regime at the top would be ideal for the military clique as it would permit the stationing of garrisons in the "capitals" of each of the politico-economic units. Ways would be found for making the Chinese pay the bill, while the military authorities could pursue their program of converting the country into a colonial dependency of Nippon similar to the system applied to Manchukuo.

***

Japan's occupation of battered Hankow—if accomplished—will close an important chapter in China's history—a chapter full of blood, misery, suffering, unprecedented national enthusiasm, unity and heroism.

It might as stated in the foregoing paragraphs, also usher in a chapter of momentous, although uncertain, import. It is difficult to make predictions at this stage of the war, but there are indications that with the occupation of Hankow, the Japanese would like to regard it as the end of their major military operations against regular Chinese armies.

The next stage of Japanese activities, in all probability would be an attempted consolidation of their power within the area bound by lines linking Shanghai, Hankow, Suiyuan and Kalgan. At present, this vast territory still remains a vacuum, with the Japanese controlling only the major channels of communication and a few towns.

While nominally 100,000,000 people reside within the so-called "occupied" area, a major portion of this territory is still controlled by the National Government through lawfully appointed civil officials or through guerilla units.

This state of affairs prevents the Japanese from carrying out their ambitious plans for the rehabilitation of the war-swept areas and the subsequent enrichment of Japan. The enormous price paid by Japan for the occupation of the territory north of the Yangtse River will have been in vain if the Japanese Army fails to pacify the provinces it had invaded.

But the mentality of the die-hard military faction in power in Tokyo today does not preclude the possibility of a new major campaign in South China, with Canton and the Canton-Hankow Railway as the objectives. With the retirement of Gen. Ugaki from the Cabinet there is no one except the Finance Minister to prevent the Army from embarking on new adventures, which might cause fresh tension between Japan and other powers, especially Britain. The Kwantung Army, however, is opposed to a continuation of hostilities into South China for fear that protracted war would further weaken Japan for her coming combat with Russia.

Whatever is the course of Japan's actions in China, it will be determined by the struggle between various factions within the Japanese Army, acting through the projected China Bureau in the Cabinet. Gen. Ugaki's retirement removed the only obstacle that the Army faced in its drive towards complete control over formulation of China Policy.

A broad hint as to what this policy may be is indicated in the foregoing paragraphs, With the Tientsin Garrison and the Japanese expeditionary force in Central China—represented in Tokyo by cliques within the Supreme War Council—battling on behalf of their puppet governments, there is little prospect for the creation of a "central" administration.

It has been persistently intimated that with the occupation of Hankow, another "government" would be formed in the Tri-City. With subservient regimes established in Peiping, Nanking, and Hankow, the way will be prepared for a loose "Confederation," each of whose members would be guided by the Special Service Section in control in the particular area. The scheme represents a logical sequel to the Army's favorite policy of "divide and rule" in China. The Japanese realize that without their bayonets the puppet government would not last a day.

It is here that the Japanese Army faces a vicious circle. It cannot recruit for its puppet regimes men commanding respect and following among the masses. Respect for and obedience to the new authority can be obtained only through a free use of cold steel and gunpowder. But this course—as the Japanese have found in North China—engenders hatred and opposition for which there is no antidote. Even as these lines are written, the Japanese are engaged in another futile maneuver. Forty thousand soldiers, newly brought from Japan, are engaged in an anti-guerilla campaign over Chahar, Hopei, Shansi and Shantung. Taught little by experience, the Army is again trying to generate loyalty by frightfulness and destruction.

China's history lacks examples of unpopularity such as is now being suffered by the puppet officials. There have been numerous instances in the past when treacherous warlords and corrupt officials have been compelled to flee before popular wrath, but never have there been cases when no official dared to leave Japanese hotels and guarded buildings for fear of assassination by a patriotic youth or soldier. Patriotism, national unity, family and clan ties plus the New Nationalism are powerful concepts and the Japanese surrogates of Pan-Asianism, Wang Tao (Kingly Way), Hsin Min and others have been unable to replace them.

The woes of the Japanese Army and its puppet regimes are enhanced by the sterling propaganda and educational work being carried out by agitators of the National Government, the Eighth Route Army, various National Salvation Associations and student organizations. Growing distress, caused by the extension of the war zone, daily expands the area available for anti-Japanese propaganda. Anti-Nipponese work is bound to be one of the main features of the situation tomorrow, and the alteration of school books and the counter-propaganda carried on by the Japanese Army's Special Service Section can scarcely dam the movement.

It is this conscious opposition to the invader that makes all efforts of the Japanese Army to establish puppet regimes and militia units so futile. For $20,000 a month, the Japanese bought a Gen. Liu in North China to form an Anti-Guerilla Army. There were a series of laudatory reports by *Domei* on the progress made by this force in "mopping-up" guerillas. But a couple of months after its organization, Gen. Liu was killed by his own army which decamped for the mountains. It was later discovered that the anti-guerilla Army was mainly composed of guerillas, who enrolled in the force in order to obtain arms and be sure of the steps taken to suppress them. A piquant feature was that the "soldiers" rebelled a day after they received their salaries.

It took the "Reformed" puppets exactly seven months to make up their minds to leave the safety of New Asia Hotel, north of the Soochow Creek in Shanghai, for the fear and uncertainty of Nanking, "capital" of the new regime. The Japanese Army's attempts to induce Chinese bankers and industrialists to join Japanese "Big Business" in so-called "joint" enterprises, a wily maneuver designed to give these politically vocal groups in interest an the maintenance of the Japanese set-up, have thus far been completely wasted, Paradoxically, the responsibility for this rests on the shoulders of the Japanese themselves, whose wholesale brigandage and destruction have pauperized and antagonized the educated and wealthy classes.

The months to come will see the Japanese Army continue its campaign to establish a new bureaucracy, vitally interested in the preservation of the new Japanese order. That this attempt to create a foundation of support for the new political organization will fail is certain, if only because such a foundation cannot be sufficiently broad to be of any importance.

What the future holds for China is uncertain. By blocking the Japanese Army and Navy for 15 months, the Chinese have aroused world admiration, but it is problematical whether this admiration can be translated into practical assistance. The methods employed in the "settlement" of the European crisis contain no elements of encouragement for China. Instead of uniting against Japan it is more likely that the "Four Power Bloc" may seek to appease Japan by attempting to apply "Sudenten" methods to China.

From the standpoint of Japan's ability to continue, the putting into effect of all the provisions of the Mobilization Law probably may prevent for a further period any fissures from developing in Japan's social, political and economic structure which might seriously retard her activities on the Continent.

But who can forecast the future and analyze the imponderables? Who can forecast what will come out of the present crisis in Europe? On the surface it appears that the the methods of settlement have only had the effect of whittling down the buffers which previously separate the main antagonists. A sharpening of antagonisms here, resulting from Japan's invasion and attempted domination of the Yangtsze area, and her threat toward South China, will not help the situation in Europe where mobilized armies will not be demobilized voluntarily or peacefully.

The Japanese, up to the present, have managed to stick together surprisingly, but the financial strain is rapidly becoming unbearable. The financing of the war by the issuance of unsecured paper money carries the germs of its own failure as also does the attempt to recoup military losses by selling opium and heroin to the Chinese people.

After all, a nation which desires to keep abreast of material and human world development, must spend its money on things more substantial than gun-powder. Japan was a poor nation to begin with and is an impoverished nation today. Japan's real competitors and potential military enemies have also been spending money, but on more substantial things—modern roads, buildings, reservoirs, irrigation and power projects, playgrounds for children and recreation centers for adults, factories, transportation, communication in all its phases.

Instead of using her iron to modernize her railways and convert them to standard guage, or to build modern cities the Japanese have wasted their precious metals by dumping them into China where they have not only caused terror and hatred on the part of the Chinese, but have also caused the entire world to distrust and detest the entire Japanese nation.

Defenseless Chinese masses have been subjected to the worst and most barbarous treatment meted out to any people since the dawn of history, but a blessing in disguise will make itself apparent in the form of a cultural and industrial boom in the interior, which until now has suffered complete indifference from the bankers, industrialists and educationalists of the coastal cities.

PERSEVERENCE WILL WIN

As the Chinese Republic enters its 28th year, it finds itself before the most serious crisis in its history. But its leaders and friends will derive hope for the future from the patriotism, perseverance and heroism displayed by its men and women in the fight for national salvation. They will also find basis for hope in the refusal of the populace to co-operate with the Japanese and their puppets and in the inane Japanese policy which is bound to permanently alienate the people of this country. And it may be that through the present pain and suffering and death a new, and happier, China will emerge.

The perseverence of a mere handfull of patriots was sufficient to finally overturn the Manchu incubus. A larger group of patriots was sufficient to overthrow the barbarous warlords and bring into power a modernized administration. The number of modern-educated men who participated in the creation of the Republic at Nanking could be counted on the fingers of the two hands. The number who participated in the creation of the Nationalist Government at Nanking a decade ago ran into the hundreds and thousands. The development of modern education and with it patriotism and nationalism has been in geometrical proportions from the standpoint of individuals affected.

Japan has already failed to destroy China's press, or her education, or the spirit of her people.

The ingenuity of the handfull of patriots who encompassed the destruction of the Manchus thirty-seven years ago, and the ingenuity of the much larger group which directed the nationalist revolution and destroyed the war lords a decade ago, will be able to destroy and exact terrible vengeance upon the barbarous mediaeval Japanese militarists who thought they could turn back the clock in Asia.

HOW TO LIVE IN SHANGHAI ON $75 (U. S. $ 12.) A MONTH!

IS it possible to live in Shanghai on $75, the equivalent of U. S. $12, a month?

A Russian correspondent, signing himself "Stroy" answered this question in the affirmative, disclosing at the same time the interesting information that this small sum of money represents the average earning of a Russian (emigre) employe in this city. The figure quoted, however, applied to a young woman. A man's expenses would be "some-what higher."

Itemizing the young woman's expenses (*North-China Daily News*, Sept. 12), the correspondent stated that her room would cost $21 (U.S.$3.50) a month, the extra $1 representing a tip for the servant. Food costs about $35 (U.S.$5.83) a month, provided the girl ate in a restaurant or boarding-house. This leaves $19, or U.S.$3.16 for laundry, cosmetics and transportation. The final balance, $10, or $1.66 in American money, the young woman could squander on clothes.

The correspondent admitted that the sum of $10 in Chinese currency would scarcely be adequate for clothes for a typical Russian young lady office or shop employe in Shanghai, hence she probably would resort to clever strategy to make both ends meet. As it would be impossible to economize on cosmetics or room rent, there was only one other thing to do—cut down on the food. Here is how one girl managed it: "Most of us girls have 'boy friends' or just male companions . . . They often ask us out and if we accept it means added economy . . . Actually food costs me only $20 a month, thus leaving me about

$25 a month for clothes . . . this makes things kind of easier."

Others, however, have insisted the above figures are too low, particularly for room-rent as prices for rooms have greatly increased recently, a $30 room now costing at least $50.

The problem of existence is a much more serious proposition for a man, according to the writer, who stated that costs for men are higher all the way around. A room that a girl could rent for $20 would cost a man $25 while food would cost a man $40 as compared with $35 for a young woman.

The correspondent disclosed the startling information that there are entire families of Russians existing in Shanghai on $75 a month, the equivalent of about $12 in American money. Russian housewives are so skilled in making a small amount of food "go a long way, that they can, on $1 or $1 20 make a simple but wholesome meal for the whole day." The clothes problem can only be solved by some extra earnings on the part of husband or wife or other member of the family.

But while the average American or European young man or woman resident of Shanghai would regard it as an impossibility to survive on $75 Chinese dollars a month, or even a week, the average Russian resident not only manages, but prefers Shanghai to other parts of the world as a place of residence. Many who go to such places as Australia, United States or South America are dissatisfied with their lot and dream of returning to Shanghai at the first opportunity. One woman who went to Australia wrote back to friends here stating that she preferred Shanghai, "where one could afford a servant."

The Sino-Japanese hostilities which have brought disaster to many Americans and Europeans, have on the other hand proved a "God's Send" to many Russians "who have made good money in the removal of goods from the other side of Soochow Creek." Others have obtained permanent jobs as overseers, superintendants, watchmen, in places where Chinese dared not go on account of the Japanese Army. Also many Russians have obtained jobs as chauffers for transport concerns operating in the interior. Numerous mechanics have obtained jobs in garages and an English shipping company has taken on 10 Russian captains. Practically all loading and unloading of steamers on Shanghai jetties is now supervised by Russians and many dozens have found work in various departments of the foreign municipalities, in positions previously held by Chinese, or new work occasioned by the present emergency. More that 150 Russian young men have been recruited by the so-called Russian Volunteer Regiments in the Settlements, or have been hired as bodyguards by wealthy Chinese, or some who are not now so wealthy as they were before the war. Numerous new shops, operated by Russians, have been opened and some enterprising men have originated new professions, one having developed a profitable business selling bricks retrieved from the ruins of Hongkew and Chapei.

ITALY'S SUPPORT OF JAPAN AND HER INTRIGUE AT HANKOW

(From a report by O. M. Green, London Correspondent, in the North-China Daily News Sept. 25.)

"The *Daily Herald* gives prominence to a report that Italian agents are intriguing at Hankow to create a peace group to be led by Mr. Wang Ching-wei in opposition to Gen. Chiang.

"The Italians, it is said, are promising that if China will join the German-Italian-Japanese *bloc*, Japan 'is now willing, under the influence of Signor Mussolini, to make peace on terms that would leave China's unity intact.' Gen. Chiang might even be left as nominal head of the Government for the time being. For the future, China's membership of a four-Power *bloc* would guarantee her against having her policy dictated by Japan. This, the Italians are said to argue, is China's only chance, as they can expect no help from Great Britain. One of the reasons given for Italy's activity is her fear and Japan's fear of the exhaustion of Japanese military strength by the prolonged war.

"An earlier report that Italy was trying to mediate drew a sharp denial from Hankow. The *Daily Herald's* story, however, is not necessarily disproved by this. I quote it for what it is worth. By all that I hear from Chinese friends, the Chinese think less of the Italians than of anyone, who, after their profuse protestations of friendship in recent years, sold them dud aeroplanes and let them down badly over the making of the Nanchang aerodrome."

SELF-APPRAISAL OF FILIPINOS BY PRESIDENT QUEZON

THE Filipinos, some 40,000 of them, mostly students and teachers, joined in a two-day celebration of President Manuel L. Quezon's 60th birthday, the festivities being managed by the National Party. The celebration also marked the passing of the first half of his six year term. In the course of an address at the wind-up of the celebration, President Quezon uttered the following self-appraisal of his fellow countrymen:

"We Filipinos of today are soft and easygoing. Our tendency toward parasitism is not inclined to sustained strenuous effort. Face-saving is our dominant note in the confused symphony of our existence. Our sense of righteousness often is dulled by a desire for personal gain. We lack the superb courage which impels action because it is right. Our greatest fear is not to do wrong, but to be caught doing wrong. Our conception of virtue is conventional. We take religion lightly and we think-lip-service equivalent to a deep, abiding faith. Patriotism among us is only skin deep and incapable of inspiring heroic deeds...A wrong adaptation of foreign customs creates in us, especially among the young, a feeling that politeness is commonplace and that smartness and insolence are equivalent to goods breeding. We attained our freedom but our spirit is still bound by shackles forced by the frailties of our nature. We are Orientals. Orientals are known for their placidity and passiveness. I refuse to allow Filipinos to be so regarded."

JAPANESE DEPORT FIRST FOREIGNER FROM NORTH CHINA

THE Japanese military authorities, on Oct. 3. deported from Tientsin, Rudolf Hoselitz, a well known attorney. It was the first case of the arrest and deportation of a foreigner by the Japanese army since the occupation of the northern Chinese provinces fifteen months ago. Mr. Hoselitz, who is of Czechoslovakian nationality, was arrested at Shanhaikwan on August 21 and was released on bond signed by an American attorney, Orin Demotte Walker of San Francisco. The Japanese gendarmes charged that Mr. Hoselitz was head of a "comintern" organization, the nature of which was not explained.

Upon returning to Tientsin, Mr. Hoselitz was re-arrested and for a time held incommunicado. On Tuesday, Sept. 27 he was taken to Tangku and placed aboard a steamer bound for Hongkong. Czehoslovakia does not possess exterritorial rights in China.

It was reported that the charges against the Czechoslovakian attorney were "framed" by the recently-organized White Russian Fascist "committee" which the Japanese formed in Tientsin.

China's Culture and Industry Moves Toward Southwest and Prospers

BY JOHN AHLERS

FOR the continuation of armed resistance against Japanese invasion, China's National Government more and more must rely upon resources of the formerly backward provinces. If these provinces in the far South and West remained as they were only a year and a quarter ago, they would be unable to maintain China's war for freedom and independence for any length of time. But since the outbreak of the war such enormous changes have occurred to, and have been brought about in these provinces that today China's leaders may confidently regard these provinces as an adequate base for China's continued fight.

An entire book could be written about these changes. The main theme of such a book would be the great advance of integration of China due to the war. Before the start of the Japanese invasion, the majority of the provinces in the South and West were, from the standpoint of Nanking control, practically semi-independent. With regard to the pursuit of the national aims of China as a whole, these provinces followed their own choice and often it was in opposition to the National Government. But the war changed all that. Even the provinces formerly most jealous of their autonomy rallied immediately and wholeheartedly to the full support of the National Government in the national cause against Japan. This has had most far-reaching consequences on the state of these provinces on the whole.

We are concerned chiefly with the economic and financial side of recent development. It was in economics and finances that the South, the Southwest, and the West of China were most backward before the war. With the sole exception of the city of Canton, these regions of China had hardly awakened to the economic and financial realities of the present era. Their sleepy attitude, in this respect, lack of modern initiative and often open hostile to any economic progress, stood in striking contrast to the rapid economic development of the provinces in the Lower Yangtse Valley, and of the Shanghai-Nanking-Hangchow area in particular. It was natural—in these latter provinces—that the economic and financial efforts of Kuomintang governments were centered. In the far interior of China it was with envy and resentment that old-fashioned provincials spoke of the Central Government's "pet provinces" on the Lower Yangtse, but they were unable to overcome their economic passivity by half-hearted efforts of their own.

NOT ALL WERE DESTITUTE

It was the outbreak of the war which made them conscious of the necessity and also of the unique opportunity, to steer with all sails set straight ahead into the modern economic era. By no means all of the refugees from the East and North who evacuated enmass to the backward provinces were destitute and helpless people of the shop-keeping class in ruined cities. There were also countless thousands of well-trained modernized Chinese experienced in modern economy and finance, or of a learned or technical profession. Among them were many with certain financial means of their own, who descended in great numbers upon almost every important city in the backward interior. These men looked for opportunities in the way of occupations and enterprises along modern lines which they were accustomed to. Wherever there were no such opportunities they keenly created them.

It was at this moment that the great shortage of modern industrial goods and the difficulty of disposing of China's traditional export goods, due to the cutting off of foreign communications and to the occupation of the eastern coastal regions by the enemy, became strongly felt in the interior. The eastern immigrants to the backward provinces were the first to exploit this emergency. They began to promote and establish in these provinces new industries, and to expand existing older ones. When, in a number of cities, small and middle-sized new factories, employing from six to 20 workers, proved a great success, local capitalists, and bankers in particular, quickly became interested. They imitated, and often out-did, the enterprising refugees.

Thus started the modern phase of industrialization of backward provinces. This industrialization paid well. Quite a number of new factories earned, or promise to earn, the capital invested within their first year of operation, due to the great increase in the level of prices for modern industrial goods in the interior. Larger industrial ventures followed the smaller ones. Shanghai-domiciled capital, as well as Chinese emigrants overseas, began to participate in the industrialization of the far interior. At present, more than a dozen large new factories, each involving several millions of Chinese dollars of capital investment, are under construction there. The purchase of foreign machinery for this purpose has attained a considerable volume, and has become of great interest to foreign engineering firms active in China.

The extensive propaganda about industrial co-operatives, fostered originally by a few well meaning individuals at private expense, and later taken over by the Government, did much to stimulate industrial development in the interior.

But the back-bone of the development was private initiative. The National Government, in cooperation with the various provincial governments, on the other hand, gave strong finanical assistance and transport facilities to a great many industrial plants which were evacuated from areas threatened by the Japanese to the provinces in the far interior. The industrialization of the latter was further strengthened by the industrial immigration. The result is that at present in the South, the Southwest, and the West of China the great reduction in industrial supplies from abroad and from the eastern provinces, as for many commodities, is made up by the new industrial production in those regions. And many of the new industrial plants there, by cooperating with the state arsenals and armament factories, are greatly as sisting in the production of supplies for the Chinese armies.

The aspect of many a city in the interior, as a consequence of this industrialization, has been completely changed. The new industries created a strong demand for industrial labor. People from the countryside and from the smaller rural cities migrated in large numbers to the new industrial sites which grew rapidly in population. The scale of rents increased, and this increase encouraged new building activities for housing purposes. When new suburbs arose around many an old city, the city to had broaden its streets, and to extend public utilities. The result was a further strengthening of the general economic activity, and this reacted favorably upon the situation of the new industries. A real war boom developed in not a few cities.

NEW ROADS HELP GREATLY

Of great assistance in this development has been,

and continues to be, the extensive construction of new lines of communications upon the initiative, and at the expense of the National Government in cooperation with the provincial authorities. The completed sections of the new railway under construction from Henyang to Kweilin immediately following their opening assumed great economic importance. So also the many new motor roads linking Kwangsi Kwangtung, Yunnan, Hunan, Kweichow, and Szechwan Provinces with each other. The new railways and roads have connected cities and regions which through centuries had had no direct contact. They opened up many a new market of either national or local importance, and made sellers and buyers meet who but a year ago had never even though of coming together. Also for this reason, the general economic activity in the interior greatly increased.

Most foreigners who visited, years ago, such places as Henyang, Kweilin, Kunming, Nanning, Kweiyang, Chungking, would hardly recognize them today. They have doubled and trebled their populations and their activities as well. Henyang, one and a half year ago a sleepy district capital quite isolated in southern Hunan, increased its population from 100,000 to half a million, and became an all-important new railway center. The place is simply blazing with enterprise and development. Kweichow Province, most forgotten of all the forgotten provinces, about to become the connecting link between China's West and South, is being invaded by new industries, and sees its capital for the first time in history rapidly becoming an important business center.

The enormousness of all of this modern progress in China's interior will be truly appreciated only if the general circumstances under which that progress has been made are duly taken into account. It was a by no means easy development. With China fighting a desperate war for her very existence, with all her forces unprecedentedly strained, with all her cities and communications continuously threatened and actually harrassed by air attacks against which there was but weak defense, it was really astonishing what has been accomplished in such a short time. Promising new life is being built upon, and arising from, destruction and horrible death all around. The economically best developed provinces of China have been penetrated by, and partially lost to, her enemy. But the former step-children of the National Government have taken their places, and it is upon the formerly backward provinces that the hopes of China for her future are founded at present. No longer do they deserve to be termed "backward" provinces.

WHO'S BACKWARD NOW?

What are today the backward provinces of China are those provinces which, at least temporarily, have fallen into the hands of the Japanese. An unprecedented standstill of all types of economic activity, enormous destruction of industries, terrible devastation of the countryside, the disconnection of communications and business relations are characteristic of the present state of affairs in these provinces. They live upon an economy of waste. Nanking has less than half, Hangchow less than one third of its former population. Few industrial plants are in operation within the Shanghai-Nanking-Hangchow Area, formerly the economic center of China. Only the most pityful shops, displaying little but junk, keep open in the great cities conquered, plunderer, and depopulated by the Japanese. There is no confidence here, and no economic enterprise.

A great many imposing plans for the "economic development of China" have been announced by the Japanese since the beginning of this war. Huge sums of Japanese capital are said to be eager for investment in China. Thus far, however, none of these plans has been realized, and no Japanese capital has been "flowing" into China. Even the Japanese textile industry destroyed in Tsingtao is being rebuilt only at an extremely slow pace and to a small extent. The Japanese lack the economic strength they boasted about, and worst of all is the lack of capital. With utmost difficulty, strained by their huge expenditures on behalf of the war, the Japanese have been able to provide Manchuria with but part of the investment capital which is indispensable for a realization of the Japanese industrial plans there.

The Japanese are only able to expropriate and confiscate directly or indirectly under varying pretexts, Chinese and foreign-owned economic enterprises which, as a rule, they are incapable of operating as prosperously as the rightful owners did formerly. Since the outbreak of this war, they have shown in China great ability in destroying economic activity and economic assets, but dire incapacity to create instead new economic activities and assets. They have succeeded in bringing about in their new conquests in China the greatest economic flight and setback since the Taiping Rebellion. They have, in a word, turned the economically most prosperous regions of China into the most backward ones. But China, in the same time, has managed to bring about a modern economic era in her formerly backward provinces and has made these the forward provinces of today.

Shanghai, Oct. 4, 1938.

Tokyo Drops Another Foreign Minister and Curbs Future Diplomatic Activity

BY H. C. H.

CONTROVERSY over the creation of the China Affairs Bureau has resulted in another casualty in the Japanese Cabinet. Gen. K. Ugaki, whose fight to protect the Foreign Office proved too much for the War and Navy Ministries, had to relinquish his two offices, Foreign Minister and Minister for Overseas Affairs. Out with him went four other officials: Naotake Sato and Hachiro Arita, recently appointed diplomatic advisers, Tadao Matsumoto, Parliamentary Vice-Minister for Foreign Affairs, and Shigeaki Haruna, Counsellor of the Foreign Office.

The dual posts left vacant by Gen. Ugaki were temporarily taken over by Premier Prince Konoye. Although several leading diplomats were mentioned for the post, *Domei* reported Oct. 5 that Konoye would hold the office himself, "temporarily."

The resignation of Gen. Ugaki marked the unqualified victory of the War Office over the Foreign Office. Ugaki was the second Foreign Minister who met disaster over the same issue—the China Affairs Bureau. His predecessor Koki Hirota was forced out of office last April for similar reason. In the case of Ugaki, it was reported that aside from his uncompromising stand over the issue of the China Affairs Bureau, he also aroused the ire of the War Office by his alleged weak-kneed policy toward Great Britain and other Powers. His recent negotiations with the British Ambassador Sir Robert Craigie over protection of British interests in China were regarded as particularly objectionable by the War Office.

Commenting on Ugaki's resignation, a spokesman of the National Government at Chungking declared that it constituted proof that Japan "to all intents and pur-

poses is bent on conquering China and driving foreign interests from this country." No Japanese Foreign Minister could remain in office "unless he agreed to become a mere lackey of the warlords. The question of who controls the Gaimusho at Tokyo has long ceased to excite interest among diplomatic observers. It is the Army that alone counts in Japan,"

Premier Prince Konoye, in his capacity as concurrent Foreign Minister, declared that Japan's foreign policy would remain unchanged despite the resignation of Gen. Ugaki. Anglo-Japanese negotiations for a readjustment of their relations in connection with the situation in China would be continued. He also affirmed that the principle of not dealing with the regime of Gen. Chiang Kai-shek, announced on Jan. 15, would be upheld.

Despite denial by *Domei*, rumors persisted that Gen. Ugaki had a fist-fight with War Minister Itagaki and was badly beaten in the Cabinet Chamber, when he strongly opposed the views of the Premier and War Minister regarding the manner in which the China Affairs Bureau should be organized. The incident precipitated his resignation and hurried departure for his villa in the suburbs of Tokyo. According to Japanese sources, Gen. Ugaki contended that inasmuch as the proposed China "organ" was to deal with a foreign nation, the Foreign Office should control the conduct of its affairs. Gen. Itagaki insisted that the organ should be representative of the entire nation, but particularly the military branches.

Elimination of Gen. Ugaki as Foreign Minister, according to observers, might have the effect of discouraging opposition to War Office's plans, but would not end the controversy in connection with the fundamental issue. In order to forestall further opposition a draft plan for the organization and operation of the projected Bureau was hurriedly rushed through the Cabinet at an emergency meeting dominated by the war and navy ministers.

According to the plan, a "central organ for China affairs" to be known as the "China Affairs Board" will function during the China hostilities under the presidency of Premier Prince Konoye. The Board will take charge of "official routine" regarding political, economic and cultural affairs "necessary for a settlement of the China incident." The Board will formulate policies in connection with these affairs and supervise the two big official Japanese development corporations in China. Headed by the Premier, the Board will actually be under the joint control of the Ministers of War, Navy, Foreign Affairs and Finance, who will serve concurrently as vice-presidents of the organ.

One significant effect of the creation of the Board, it was pointed out, would be the legalization of the Five Minister's Conference, better known as the "Inner Cabinet." The Five Ministers' Conference would became the central organ dealing with the political, economic and cultural affairs of Japan, "Manchukuo" and "New China." The Board not only will deal with affairs pertaining to the settlement of the China hostilities, but will also handle measures designed to strengthen the so-called "tripartite bloc." All diplomatic affairs allegedly will be excluded from the scope of the Board. Whenever action in that field is found necessary, the President of the Board will confer with the Foreign Minister.

Further clarifying the scope of authority of the projected Board, Chu Funada, Director of the Cabinet's Bureau of Legislation, declared that diplomatic and consular affairs concerning relations between Japan and third Powers as well as with any future Chinese Government recognized by Japan will be dealt with exclusively by the Foreign Office as in the past.

LEAGUE TAKES BOLD STAND

The League of Nations last week made a bold stand by authorising the application of Article 16 of the Covenant on sanctions against Japan following her rejection of the invitation to accept the League's jurisdiction under Article 17 for a settlement of the Sino-Japanese conflict. In view of the present European tension, the action was welcomed in China, but how effective it would prove to be remained to be seen.

The League Council, meeting in secret session, decided to authorize member nations to apply individually financial sanctions against Japan. Commenting on the decision, a Council member said that the action "means that Russia can take any action she desires against Japan and such action will be legal . . . . If Russia takes military action, she will be acting under the League Covenant."

The Council also adopted a report which urges members of the League to abstain from any action that could weaken China and to consider measures individually to aid China. The report however recognized that in the present circumstances, international co-ordination measures are impossible.

Japan immediately threatened that reprisals would be taken if the Powers applied sanctions against her. Tokyo officials declare that the application of actions would mean abandonment of the legal view that no formal state of war exists, which Great Britain and other countries have adopted in order to protect their interests in China." "In such a case," the statement said, "Japan would be obliged to reconsider her fundamental policy of respecting foreign interests and Concessions in China and would have to take free action in new military operations in China."

Tokyo press condemned the League's decision. The *Miyako Shimbun* urged that the League of Nations should be dissolved, while the *Japan Times*, mouthpiece of the Foreign Office, demanded that Japan sever all her relations with the League. Another paper threatened war on any nation that tried to enforce sanctions.

MURDER OF TANG SHAO-YI

A sensation was caused in Shanghai last week when Tang Shao-yi, 78, former Prime Minister of China and veteran Kuomintang leader and statesman, was murdered (Sept. 30) at his home in French Concession. Mr. Tang was attacked by four assassins, whose leader was named Hsieh Chi-pi. They gained admittance into the Tang residence at 18 Route Ferguson by posing as friends bearing presents for the aged premier. The occasion for the gifts was the impending wedding of Mr. Tang's daughter. Mr. Tang was believed to have been killed while bowing in greeting to his guests. One of the killers using a hatchet which was left imbedded in Mr. Tang's head for some 30 minutes before he was discovered by the servants. Upon discovery, Mr. Tang was rushed to St. Marie's Hospital where he died.

The four assassins made good their escape. Some ten suspects were arrested by the French Municipal Police, but the real perpetrators of the crime remain at large.

Speculations were rife as to motive for the assassination. It was believed that the case had political significance. Prior to the murder, a report was current in Shanghai that Mr. Tang had been offered the post as head of the projected "united Government" which the Japanese intended to establish by amalgamation of the present Peiping and Nanking regimes. Mr. Tang was allegedly previously offered a high post in the Nanking "Reformed Government," but had rejected the offer. Another rumor was that Mr. Tang was secretly maintaining contact with pro-Japanese elements in Shanghai and his continued presence here aroused the suspicion of patriotic Chinese organizations.

Born at Canton in 1860, Mr. Tang was one of the first Chinese to study in America, where went at the age of 13 and remained seven years and was graduated from Columbia and New York Universities. Following his return to China, he held many high posts under the Manchu regime. After the founding of the Republic, he had the distinction of being the first Prime Minister under the new regime. Under the National Government at Nanking, he served as High Advisor and Magistrate of the Chungshan Model District in Kwangtung, from 1929 to 1934. Later, he was made member of the Central Supervisory Committee of the Kuomintang and of the Southwest Political Council. Due to his advanced age,

he retired from active politics and had lived in Shanghai for the past three and a half years.

Mr. Tang's tragic death caused a shock to his many friends. High government officials including General Chiang Kai-shek, Dr. H. H. Kung, President of the Executive Yuan, Gen. Wu Te-chen, Chairman of Kwangtung, wired messages of condolences to the Tang family. Mrs. Tang and her eldest son, Tang Liu, former Director of the Foreign Office in Shanghai, hurried to Shanghai from Hongkong to arrange for the funeral.

Last week end, Hongkew witnessed the wholesale exodus of officials of the "Reformed Government" for Nanking after having been cooped-up in the New Asia Hotel in Hongkew practically since the beginning of its establishment. Activities of Chinese guerillars in the vicinity of Nanking were believed to be responsible for their prolonged vacation in Hongkew. Their sudden return to Nanking was said to have been precipitated by recent political assassinations in Shanghai. Among those who left were Liang Hung-chih, head of the Executive Yuan; Wen Tsung-yao, head of the Legislative Yuan; Chen Chun, Interior Minister; Chen Loh, Foreign Minister; Chen Chin-tao, Finance Minister; Jen Yuan-tao, War Minister. They were escorted by Maj.-Gen. K. Harada, Chief of the Japanese Army's Special Service Section.

Reports from Peiping revealed that Eiji Yamamoto, Japanese secretary-advisor to Wang Keh-min, head of the Peiping regime, had died on Sept. 11. Yamamoto was seriously wounded on March 28 last, when he was riding in a car with Wang Keh-min when an attempt on Wang's life was made. Yamamoto had been undergoing treatment since the incident but finally succumbd to his wounds. His funeral was attended by new officialdom and the staff of the Japanese Embassy in Peiping.

Chin Yun-peng, former Shantung warlord, was reported to have been offered the Chairmanship of the projected "United Government" which was scheduled to be established on October 10, replacing Wang Keh-min. Chin's terms of acceptance, like those of Marshal Wu Pei-fu, were said to be too stiff to be acceptable by the Japanese military. Chin formerly served as Premier with the Chihli Party under President Hsu Shih-chang.

Following the Japanese forces advancing on Hankow, are nine Japanese consular officials headed by Masaichi Tanaka, former Hankow Consul.

Evidence that anti-war sentiment was prevalent among the rank and file of Japanese troops in the fighting zones was furnished by a translation of a handbill found in Japanese billets by the Chinese in the vicinity of Hwangmei, northeastern Hupeh.

"Militarists are doing their worst to oppress our people. They have murdered our former capable Minister of Finance, Takahashi. They have caused 500,000 innocent people to be slaughtered in this senseless war on China. They have squeezed over Yen 1,000,000,000 from us the poor people.

"Are we going to allow them to do what they like? Are we going to serve as their instruments in their oppression of the Japanese people? Are we not ashamed of fighting the Chinese who are shedding their noble blood for the defense of their country?

"Comrades, we should not lose our chance. Short of being killed or wounded, we should manage to lose the war. It is only by losing the war that we can put our militarists under control. If the war is won or when we are killed or wounded, it will be too late. The entire Japanese nation will be doomed.

The Anti-War Union of Tokyo, Osaka, Kulumei, Kyoto and Manchuria."

Dr. Hu Shih, new Chinese Ambassador to the United States, was due to arrive in New York this week from England. Dr. Hu, interviewed by the press in London, said that the appointment marked a big departure in his life. "When Generalissimo Chiang Kai-shek asked me to become Ambassador in Washington," he said, "it took me eight days of hard thinking to decide. I never held an official position. I valued my independence and, as it was well known, I had criticised the Chinese Government. Times have changed, however. There is no more room for opposing and all Chinese must stand together."

The *Ta Kung Pao*, well known Chinese daily, formerly published in Tientsin and Shanghai and lately in Hankow, will publish an edition in Chungking beginning middle of this month, according to Hankow report.

The *Hankow Herald*, Chinese-owned English language paper, suspended publication since October 1, in order to remove its machinery to Chungking where it will resume publication.

A special censorship office dealing with magazines and books will begin to function at Chungking by the middle of October.

A memorial service was held at Canton Sept. 25 for the late Captain Wu Jui-liu, famous Cantonese aviator, who was killed during a fight with Japanese planes at Namyung, in northern Kwangtung, in August.

A mass meeting was held (Sept. 25) at Canton to welcome a group of 70 Chinese engineers who have come to China from Burma to join the mechanized units of the Chinese Army.

More than 700 Chinese residents in Siam deported by the Siamese Government arrived at Canton on October 1. Recently some 5,000 Chinese residents were arrested in Siam for reasons not yet made known, but supposedly concerned with patriotic activities.

The New Exodus in China

BY C. Y. T'ANG

THOSE of us who are in Shanghai or in the occupied territories are apt to take too pessimistic a view of the prospects of China. Everyday we receive alarming tidings about the ruthless destruction of life and property and acts of atrocity committed by the invading forces. Many of our relatives, friends and acquaintances have suffered severely. It is difficult for us, under these circumstances, to be cool and to view the present trend of affairs in a true perspective. Some of our foreign friends, likewise, share the same depression and raise the question, "Whither China?"

But, after all, are the prospects of China as gloomy as some of us are inclined to believe? If we turn our eyes to the south western provinces we can see encouraging signs of the growth of a new national life. In the past few months a great exodus has been going on from central and northern China to the Southwest. We are as yet too close to this event to be able to gauge its full significance, but we have good reason to believe that it is one of the great benefits China has derived from the present war.

In Chinese history the course of national development has been southward. During the Chow Dynasty, the provinces of Kiangsu, Chekiang and Hunan were considered as backward regions and the people therein were called "Nan-man" or "southern barbarians." But with the unification of China under the rule of Chin and Han Dynasties, these regions were gradually developed. During the period of the Three Kingdoms, the said provinces became the center of political activities of the Kingdom of Wu, while Szechuen, a more distant and less civilized hinterland, was under the control of the Kingdom of Shu. One of the results of the dramatic struggle of the Three Kingdoms for the hegemony of China was the rapid development of the South and the Southwest. When the T'ang and the Sung Dynasties were at the zenith of their political power, all the border provinces were touched by the magic wand of Chinese civilization. As a result of the invasions by the Gins or Tunguses, the Mongols and the Manchus, there was an exodus of the Chinese population from the North to the South. Many patriots took refuge in the provinces of Fukien and Kwangtung where they set up their new abodes. Some of them died a martyr's death and sowed the seeds for future revolution. It is no accident, therefore, that Kwangtung, which had always been regarded as a backward border province, should become the cradle of the national revolution of modern China.

Exodus Once Again

Today China is once more threatened by foreign invasion. Once more the people from northern and central China, including prominent government officials and leaders of various classes, abandoned their homes and flocked to the southern provinces. This event is pregnant with political, economic and social significance.

This exodus marks the political growth of the provinces of Szechuen, Yunnan, Kweichow, Kwangtung and Kwangsi. For centuries Peiping (Peking) was the political center. Realizing that this conservative old capital was not conducive to administrative efficiency and honesty Dr. Sun Yat-sen advocated that Nanking should be made the seat of the National Government. This plan, however, was not carried out immediately after the establishment of the Republic in 1911. It was not until the present National Government under the guidance of the Kuomintang had unified China in 1928 that Dr. Sun's proposal was put into effect. Since then the historic city of Nanking made famous by the first great emperor of the Ming Dynasty became the capital of China. But now the center of political gravity is shifting to the southwestern provinces, especially Szechuen which is the largest province of China proper. With these provinces as a base for military operations, the armies of the whole nation are fighting shoulder to shoulder against alien invaders. The people are rallying to the support of the government either by contributing money or by rendering service. War is, thus, a double-edged sword that cuts both ways. It is at once a disruptive and a cohesive force. It devastates China and at the same time unifies China. It quickens China's national consciousnes and thereby lays the bed-rock for her regeneration.

Economically the Southwest has a great future. The province of Kwangtung, famous for its open seaport and the Pearl River, is progressive and quick to adopt modern ideas and methods. Its agricultural and industrial products are not only transported to all parts of China but exported in great quantities to foreign countries. Its prodigious farm products feed a large part of China's teeming millions as the old saying goes, "There is no starvation when Kwangtung and Hunan reap their harvests." As to Szechuen and Yunnan their natural resources are still largely untapped. Lumber, wool, silk, tea and salt are the chief products of Szechuen. The other three southwestern provinces, Yunnan, Kwangsi and Kweichow, are mountainous and comparatively poor but they are endowed with hidden mineral resources, especially the well known wolfram ores of Kwangsi and copper and tin mines of Yunnan.

The economic development of these provinces, however, depends on many factors of which the most vital ones are capital, technology and good transportation. The multitudes of people

(*Continued on page 193*)

A New China and a New Civilization

BY C. Y. W. MENG (孟昭彝)

IN 1912, China surprised the world by making her debut into the circle of modern democracies. The rise of China constitutes a marvel of the twentieth century!

But unfortunately, this young Republic of the Orient, instead of having breathing time to develop herself, was at once plunged into internecine warfare due to the then existing "Tuchun System." The policy of the "Unification of the Five Races (meaning the Han, Manchurian, Mongolian, Modammedan and Tibetan) the policy of the revolutionists, was relegated to the background.

The famous "Northern Expedition" under Generalissimo Chiang Kai-shek which was started in Canton in 1926, was accomplished with the establishment of the National Government in Nanking. But during these ten years (1926-36) it was again being characterized by continuous internal warfare.

However, there is one marked difference. That is: the civil warfare after 1927 was, strictly speaking, not a civil war, but it was more a struggle for the "centralization of the authority of the

Reproduction of one of the many posters now widely distributed throughout China, intended as a symbol of China's unification.

Central Government," very much in the same way as what happened in the early American history when George Washington was determined to fight for the centralization, instead of decentralization, of the authority; and for the federal, instead of the confederate, form of government right after the historic revolution.

Therefore, it is probably correct to say that after the historic revolution of 1911-12, although the political system in China was changed from monarchical to democratic, a "New China" was not yet born. For the past a quarter of a century (1912-37) China had been a changing China; and China was in a transitory period during which she was fighting and shaping her own destiny!

But a "New China" was born two years ago when the national unification was accomplished. The Kuomintang or the Nationalist Party, the party in power, and the Communist Party, the opposition party, ceased to fight any more with each other but came to terms, with the latter acknowledging the authority of the Central Government. The union was made more solid when one very important resolution was introduced at the recent conference of the People's Political Council—the first of this kind in the Chinese history—by Mr. Chen Shao-yu, one of the most influential communist leaders, which called for the "Support of the National Government and the Enforcement of the Program for the Resistance Campaign Against Japan and the National Reconstruction." (The said program was adopted by the Kuomintang Congress sometime in April, 1938.) This Resolution was unanimously adopted by the conference.

Such national unification is significant in that it is not accomplished by means of force; nor through the historical process of "the fall of the dynasty, and the rise of the other." But it was accomplished through the tremendous "mass awakening" of the 450,000,000 people in the country, arising from their burning national feelings and genuine desire and anxiety to save the nation, and their firm determination to drive out the foreign aggressor by concerted efforts. It was a most bloodless and yet the most complete national unification, ever recorded in the China's long history, or in the history of any nation. Therefore, in the year 1937-38, an epoch-making event took place in China. This year opened a new era in the annals of the Chinese history. The Chinese have now achieved a "Perfect Union" as that that was achieved by the Americans in their early revolutionary days.

The Meaning of Unification

China is now a united China. But when this is headlined and discussed, observers generally mean the co-operation between the Kuomintang and the Communist Party which had been at loggerheads for the past ten years. In fact, the national unification which has been accomplished goes far beyond that, and it is more than an ordinary unification of two political parties in the western countries, or the formation of a coalition cabinet in war time. It is a unification of the "Five Races In One Family," including many millions of tribesmen, aborigines or *miao* on the frontier provinces.

Therefore, in the present war against the Japanese—one of the most striking features is that the 450,000,000 Chinese fight like one man! Out of 500,000 wounded and dead (up to the spring of this year) who fought so bravely on the battlefields to oppose the Japanese, there are some "Kwangsi tribesmen," "Kweichow *miao*," and "Sikong lolos" from the most frontier districts. So far as we know, at least two regiments, consisting of 3,000 men who fought in Shanghai and elsewhere, are lolos or aborigines representing a number of tribes in the frontier district of Sikong, west of the Province of Szechuen. Of course, they are *not* fighting as lolos but as the troops of the Chinese national forces, whose ancestral pride and family tree are all being now superseded by nationalism. We understand also that many Tibetans in Sikong are being trained for service, and among the able-bodied men volunteering from the frontier provinces are *miaos* and other tribesmen.

In addition, according to a despatch from Sian (Shensi Province) published in the *China Times*, dated June 7, 1938, "100,000 Tibetan troops under the command of Ang Cheng-hsiang are waiting for order to proceed to the front." However, many reports have said that the famous Mongolian and Mohammedan cavalries "have taken active part in the western war front." All these tell better than many pages of explanation about a united China or a New China.

"China fights on slogans"! This was what foreign observers used to remark to Chinese writers when they noticed many slogans on every available space on the walls. Some of them read: "Live or perish together with the city," meaning that the people will not leave the city but prefer to live or perish together with the city; "Destroy our pans and sink our boats," meaning that when the troops are landed on the enemy's side beyond the river, they at once purposely sink their boats and destroy their pans, so as to demonstrate their determination to fight to the last but never look back to their native home alive. For those who have some knowledge of the Chinese language can appreciate more the meaning of these slogans, as no free translation could possibly express the full meaning of the Chinese language, one of the most of difficult languages. But these slogans tell better than many pages of analysis of the true spirit of the people of a New China.

A New Civilization

China is now a New China. A New Civilization has also come into being in China. This new civilization is neither typically the old Chinese civilization, nor entirely following the western civilization; neither the mechanical and capitalist civilization of the 19th century; nor the socialist and communist civilization of the 20th century. It is a "new civilization". It is *new*, political, militarily, economically, socially, religiously and intellectually.

If observers will make a careful study of the platforms* of the Kuomintang or the Nationalist Party, the Communist Party, the National-Socialist Party and the Youth Party (four well founded parties in China), they will be convinced that besides putting up a stiff resistance against the Japanese invasion, the Chinese leaders and people are simultaneously carrying on with another stupendous task which they call "national reconstruction." But by this, they really mean that they are building a New China and a New Civilization.

(1) *A New Form of Democracy:* Today, the world over, we hear so often, such as, "Democracy on trial," "The end of Democracy," on one hand; and the "Rise of Dictatorship," "The Dictatorship of the Proletariat," on the other. Democracy or Dictatorship—which is to prevail?

When we see the difficulties before President Roosevelt—one of the most energetic and able chief executives in the world—in

*By *the platforms of the Kuomintang and the Communist Party, I mean the latest ones, as both of them have recently revised and greatly modified their respective stands since the formation of the United Front.*

carrying out the National Recovery Acts, many of which had been declared as unconstitutional by the Supreme Court, and compare this with the easiness and swiftness of the dictators in carrying out the economic recovery measures by the application of the "totalitarian theory of the state," we could not but conclude that there must be something wrong with the democratic system. But when we see the "bloody purges" and the "concentration camps" which are packed up to the fullest capacity with the political prisoners, we could not but conclude that there must be something wrong with the dictatorship system. Such a problem is apparently facing all nations today. But the Chinese who are also facing the same problem, are now working hard to find a solution to the impasse for the world.

Government More Technical

In a 63-page manifesto dealing with the Party's platform, and in the Section "B" on the political problems, the National-Socialist Party proposes a "Revised Democracy" or "Scientific Democracy" (translated literally in accordance with the Chinese terminology) for China. After discussing various views of pro and con Democracy or Dictatorship for China, and after pointing out various defects of the system, this Party points out that in absence of a proper term, they call the new political system as the "Revised Democracy." The Revised Democracy is in fact a genuine democracy, eliminating all the usual defects of a democracy. One of the greatest defects of a democracy is party politics. What we try to reach is not to eliminate party politics, but rather to let public opinion prevail above party politics. We have to build a political system, the general principle of which is completely in comformity with the principles of a democracy; and for practical purposes, there should be no chance for the manupulation by the party politics. Hereafter, national affairs will become more and more technical day by day, so there should be a government of technicians but not a government of party officials," says the manifesto.

Articles 3 to 29 inclusive of Section "B" (on political affairs) deal with the "general principles," "main points of the political system," and "main points of the administration" of the "Revised Democracy." As every article is important and worthwhile reading, no summary is possible.

Such a system is apparently now in operation, and it has the approval of other political parties. Article 12 of the Program of the Resistance Campaign and the National Reconstruction, or the "new Kuomintang platform" also calls for the organization of the organs for the participation in political affairs by the people, unification of all efforts throughout the nation, concentration of the intellectuals in the country to formulate, decide and enforce the national policy. This article clearly indicates that the public opinion should always be above the party politics.

The many Resolutions adopted on the Ninth Day, (July 14) of the meeting of the People's Political Council have to do with the "Reform of the political administrative structure of all grades" in the country, and call for the establishment of the People's Political Council in each province and hsien; the establishment of the organs in each hsien for expressing public opinion; the preservation of the present *hsiang* (village) and *chen* (town) system; the strengthening of the organization of the various guilds in the villages and towns, and the elevation of the functions of the guilds; the holding of the assembly as the highest organ in the village or town, and the village or town council as a planning and deciding organs which should consist of the following Departments: Self-Defence, Public Health, Relief, Finance, Cooperatives, Education and Reconstruction; the appointment of the directors by the hsien governments to direct the local self-autonomous affairs.

In other words, for the first time in the Chinese history when the representatives to the National Assembly and the officials of the Government are elected by, and come from, the very last unit of the representations—that is, the villages and towns. "The principle of multiformity" is now being for the first time introduced into use in the Chinese political system!

Eliminate Spoils System

Therefore, the Revised Democracy differs from the democracy of the 19th century type in eliminating the spoils system, party politics, etc., but retaining its democratic principles; from the dictatorship of the 20th century type in having none of its defects but retaining its efficiency in the administration. (see Article 14 of the New Kuomintang Platform which calls for the "rationalization of the political administrative structure, and the increase of the administrative efficiency, etc."). Further, the Revised Democracy differs from the western democracy, in giving too much voice to the capitalists and no voice to the proletariat; and from the Soviet democracy in giving only voice to the proletariat but not others. But the Revised Democracy gives *equal chance and equal voice to all people in the country*. Is it not a "Higher" or "Advanced" Democracy?

(2) *A New Economic Order:* That there is something wrong with the present economic system in the democratic nations in the world goes without saying. While on one hand, there are millionaires who accumulate huge wealth and enjoy every facility of civilization; on the other, a far greater majority of the people in the same country are poverty-striken and are living in extreme misery. On one hand, the producers have to resort to cut down excessive production of wheat and cotton; and on the other, there are hundreds of thousands of the people in the same country who are starving and freezing. There is indeed something wrong with the production, consumption and distribution system in the democratic nations.

The communists resolved to solve the problem by the process of the "liquidation of the landlord and the capitalist," the "liquidation of the agrarian landlords by the peasantry," the "expropriation of the capitalists," etc. The Chinese Communist Party followed the same policy before.

But again, intelligent Chinese are tackling these problems, and they intend to establish a "New Economic Order" for the world, so that all can live together harmoniously. To illustrate, we cite the following articles from the Platform of the National-Socialist Party in China:

Article 30. For the sake of assuring the individual existence and security, as well as the improvement of intectual power and surroundings, the private ownership of the property shall be recognized.

Article 31. For the sake of maintaining the welfare of the community, the development of the national economy, and the re-adjustment of the individual economy, the public ownership of the property shall be recognized.

Article 32. But in either case, the national economy must be put under the control of the national general plan, so as to be thoroughly carried out by the State or individuals, respectively.

Article 33. The private ownership of the property shall be gradully generalized in accordance with the national general plan, so that all can own some property, therefore there will be none becoming too rich or too poor.

Article 34. For the sake of increasing the efficiency in production and other national defence measures, the State may take over the means of production together with the profits, owned by the individuals, by the equitable and peaceful processes as a means to develop the national economy.

Article 51. The labor unions shall have the right of collective bargaining with the employers.

Article 52. The laborers shall have the right to declare strikes but not to the disturbance of public peace.

Articles 30 to 72 inclusive of Section "C" (economic problems) deal with the "general principles," "main points of the policy" concerning the development of the industry and commerce, the labor problems, taxes, transportation and population of the "New Economic Order." To the National-Socialist Party, whether the land shall be owned by the State or by the individuals, it is not of so much importance. What is essential is that the State shall have every right of re-adjusting and distributing the land, and the right to exercise the right of eminent domain. Secondly, the device is not so much to convert the private property to public, but rather "to generalize the ownership of the property by the individuals."

Property Returned

The latest report from Yenan (northern Shensi, formerly the so-called "Soviet Government," totally abolished, and now organized into "The Executive Committee of the Shansi-Shensi-Chahar-Hopei Border District) has it that the officials (most of them members of the Communist Party) have also abandoned their former "Land Expropriation Policy," since the formation of the United Front. There is no more confiscation of private property. Not only the land is given back to the "returned" land-owners, but new pieces of land are given to them in addition. The process of distribution of land, we are told, is in accordance with "their (owners) needs and their ability of utilizing the land." The distribution of land is said uniform among all farmers.

In accordance with the Regulations Governing the issuance of the Certificates of the Ownership of the Land, issued sometime in September, 1937, by the said District Executive Committee, only the following kinds of land are not allowed to be owned by the individuals, and they are: navigable water way, lakes, public high way, mines, salt-lakes, water fountains and others which would serve the community more than the individuals. The holders of the certificates can also dispose of their land at their will.

Article 21 of the new Kuomintang Platform reads: "The activities of the banks shall be controlled, and attention shall be turned to the readjustment with the industrial and commercial development."

This is one of the most important and useful resolutions ever decided upon by the Kuomintang since its coming into power more than a decade ago. In the past, the Chinese bankers invested their capital in land, and their investment in the rural industry was almost nil. As a result, the banking development in China had not accompanied by industrial "prosperity" or "boom," but by rural bankruptcy which plunged eighty per cent of the Chinese people into terrible sufferings and misery. China's economy has been concentrated on a few coastal centers at the expense of the hinterland, as evidenced by the construction of too many "sky-scrapers" in a few commercial cities and the creation of a class of easy-living and luxury-loving people out of the touch with the Chinese reality, on one hand; and the impoverishment of the villages and towns on the other. There was unbalanced and abnormal development of the country, and unequal accumulation of the wealth in a few people at the expense of far greater majority.

But now, a "New Economic Order" has come into being which calls for planned economy, planned production for community consumption and national welfare in place of profit. This New Economic Order differs from the prevailing economic system

(*Continued on page 204*)

America in the Orient

BY MAURICE VOTAW

THE Sino-Japanese War, now in its eighth year, coupled with the present mutual distrust between major and minor European nations might well turn the attention of readers to the more placid history of Chinese-American relations. For, the arrival at Canton on August 28, 1784, of the American ship "Empress of China," started a sustained friendship between China and the United States which continues to this day.

As a matter of fact, more than one Chinese writer on Chinese foreign relations has declared that the hundred fifty-four years of Sino-American contacts have been characterized by the practice of highest ideals of righteousness and justice toward China by America. Which is to say, America, of all the great powers, has yet to take advantage of China's military weakness to satisfy her own ambitions.

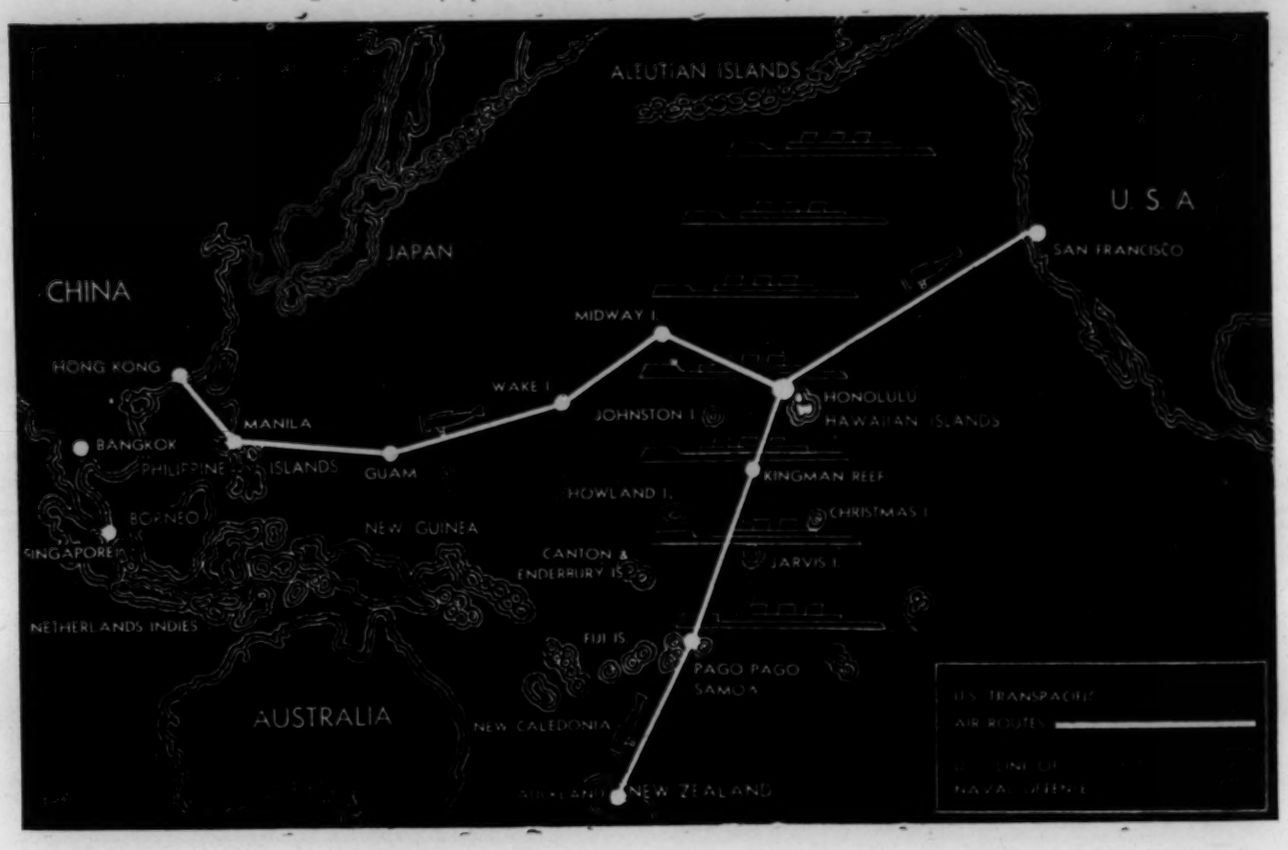
Instead, she has stood, more consistently than not, for the political and territorial integrity of China, and for equal opportunities in trade. She has neither asked for nor accepted any territorial concession or special rights in treaty ports. Further, America was not only instrumental in persuading the powers to reduce the indemnity asked from China after the Boxer uprising, but she took the lead in returning large portions of the indemnity for the promotion of educational and cultural institutions.

Because of these and other evidences and examples of America's basic desire for friendship and fairness, the Chinese people have shown time and again their readiness to reciprocate when they found the opportunity.

Following the beginning of commercial relations with China, the "New Nation," in 1786, sent Samuel Shaw to Canton as consul, to head American trade efforts. There was a steady increase in mutual trade until the year 1821. The United States then lost a wonderful chance to force a clarification of the clouded issue of free or restrained intercourse between the West and China. The lost chance to make a bid for mutual equality was the occasion of the handing over of a sailor on an American ship to the Chinese, who strangled him, charging he had caused the death of a Chinese woman. At the time there was a complete absence of any means of adjusting international difficulties between foreign countries and China; the Chinese were firmly convinced all foreigners were barbarians and must be dealt with sternly, and the consul had only commercial powers. No treaty setting forth Occidental right was made until England forced the opium war in 1839.

Although the first protestant missionary to China, Robert Worrison, was English, he came to China on an American ship, bearing a letter from the American Secretary of State to the American Consul in Canton, and was allowed to live with the American traders. Worrison, by nature a student, laid the foundation for his successors. He was quick to grasp the fact that all avenues of approach to the Chinese other than literary scholarship was closed. By 1819 he had translated the Old and New Testaments into Chinese, and established the Anglo-Chinese College at Walacca.

The first two American missionaries to China, David Abeel and Elijah C. Bridgman, landed in Canton in 1830, sent out by the American Seaman's Friend Society and the American Board for Foreign Wissions, respectively. From this time on, the cultural activities of Americans and their contacts with the Chinese have been more widespread than the attempts of missionaries from any other country.



Asia Magazine Map

A far cry from that day in August, 1784, when the first American ship ever to sail for China dropped its hook off Canton, starting a sustained friendship between the United States and China, is this 1938 map of the Pacific showing the present American airlines and the U.S. Naval line of defense.

Peter Parker, the first medical missionary to the Chinese, was sent to Canton by the American Board in 1834. After a year's study of the language in Singapore, Parker returned to Canton and opened the Ophthalmic Hospital, on November 4, 1835. Even though several of the earlier British missionary and East Indian Company doctors had given some medical advice to the Chinese, including the teaching of vaccination for smallpox, Parker is considered the founder of medical missions in China.

First U.S. Treaty

The end of the first Sino-British War (1839-1842), commonly called the Opium War, brought the first American treaty with the Chinese, signed in 1844. The treaty of Wanghsia was negotiated by Caleb Cushing, who held out for four principles: National equality; extraterritorial privileges; most-favord-nation treatment, and maintenance of Chinese independence. Permission was given to build houses, hospitals, schools, churches in the five open ports of Canton, Amoy, Foochow, Ningpo and Shanghai.

The treaty of 1858 provided for non-molestation of missionaries in the interior of China, the rights of foreign diplomats to reside in Peking and the freedom to travel through the country.

During the Taiping Rebellion Frederick Townsend Ward, of Salem, Massachusetts, after recapturing Sungkiang from the Taipings, organized the "Ever-Victorious Army," which successively

defeated the insurgents in Kiangsu and Chekiang provinces. After Ward's death at Tsz-ki, in 1862, he was buried at Sungkiang and the Chinese government gave him posthumous honors. A temple was erected to his memory, in which sacrifices were regularly offered to his departed spirit. In recent years annual pilgramges to General Ward's tomb have been sponsored by the Shanghai branch of the American Legion.

Another Chinese honor to an American came in 1868, when Anson Burlingame, retiring American Minister to China, was asked to be the head of the first Chinese diplomatic mission to the nations of the West, the only foreigner ever given such an honor by China. Burlingame negotiated a treaty between the United States and China, whereby the United States undertook "not to intervene in the domestic administration of China in regard to the construction of railroads, telegraphs, and other material improvements." The two countries also joined in reprobating any other than an entirely voluntary emigration of citizens and subjects from one country to another "for the purposes of curiosity, or trade, or as permanent residents."

The "Open Door" Policy

Following the Sino-Japanese War of 1894-1895, America grew alarmed at the attempts of Japan, Russia, Germany, England and France to expand at the expense of China. John Hay, American Secretary of State, enunciated the policy of the "Open Door" in 1899, by sending notes to the five nations and Italy, advocating equal opportunity for trade and commerce in China. His purpose was to prevent the substitution of leases and spheres of interest for the principle of free and equal trading privileges. During the Boxer siege of Peking in 1900, Hay proposed that the nations concerned should seek to preserve Chinese territorial and administrative entity and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

Among the elements of political or trade leadership assumed by Americans in China not yet mentioned may be put: The spending of millions of dollars in China to raise the standard of living and the purchasing power of the people; the leading of China into the Great War on the side of the Allies; the education of thousands of young Chinese men and women in American universities; the Washington Conference and the Nine-Power Treaty; the granting to China of tariff autonomy; the organization of the international banking consortium; the formal protests to Japan at the Twenty-One Demands and at the invasion of Manchuria in 1931.

A more recent Chinese-American relationship has been the cooperation of the two countries in inaugurating a commercial and postal airplane service for China, to say nothing of the operation by American instructors of an aviation school in Hangchow where Chinese youths were taught aerial offense and defense.

With all America's long history of relations with China, however, her chief contributions to the nation have been cultural, along educational, medical and religious lines. Together with these missionary and private endeavors has accrued an ever-increasing use in the nation of American products.

What American missionaries have done in the hundred and eight years they have labored among the Chinese is very cogently expressed by George Sokolsky in his book The Tinder Box Of Asia. Mr. Sokolsky says: "The American missionary has not forced his ideas down any Chinese throat. He has preached and taught and healed, but he has not forced. He has spent some $200,000,000 in China in a century of activity. My view is that the impact of Western culture in any form is beneficial to China. It is unsettling; it is disturbing; it routs the Chinese out of age-old ideas and habits. Therefore, it is beneficial. To the missionary the question as to the value of his work must be perplexing. At worst he may have wasted time and money. From a national standpoint he has created an atmosphere of friendship for the United States. He has taught the Chinese people that some foreigners can serve China unselfishly and that a large number of them are Americans. He has gone into the interior, studied the language, lived among the people as one of them, brought up his family among his Chinese students without giving vent to evidences of racial superiority. He has kept alive learning during the dark days of revolution. He has served as a general practitioner and has opened hospitals and medical schools. He has played the most significant role in the change of a civilization."

The years immediately before and after the first Sino-British War saw American Protestant missions flourishing and expanding. By 1844 Americans were not only in Canton and Macao but in Hongkong, Kulangsu, Ningpo, Foochow and Shanghai. In all these ports not only evangelism but schools and medical work received emphasis. Organizations represented included the American Board, Presbyterians, Episcopalians, Baptists, Northern and Southern Methodists.

Literary Attempts

The Bible and portions of it were translated into the colloquial dialects and attempts were made at Mandarin. Dictionaries and grammars were experiments with. Samuel Wells Williams of the American Board—he first came to Canton in 1833-published a standard work on China in English in 1848, The Middle Kingdom. Williams came out as a printer, but developed into a great scholar, served for years on the diplomatic staff and was later professor of Chinese at Yale College.

Following the treaty of 1858 American Protestant missions spread up the Yangtsze to Hankow and up the coast to Tientsin, Chefoo and Peking. W. A. P. Martin went to Peking in 1863 for the Presbyterians. He later became the first president of the first government school in China, Tung Wen College at Peking.

An outstanding figure was Samuel Isaac Joseph Schereschewsky, who first arrived in Shanghai in 1859. A Christianized Lithuanian Jew, he became the third Protestant Episcopal Bishop in China. Bishop Schereschewsky spoke 13 languages and read 20; he made notable translations of the Prayer Book, Old and New Testaments into Mandarin and Wenli (the literary language); he founded St. John's College in 1879. After a paralytic stroke he translated the entire Bible into the literary language, taking six years to make the first draft, hammering it out on the typewriter with his one usable finger, the middle one on his right hand. This Bible, published in 1902, is still widely used in China, and his Reference Bibles in Mandarin and in Wenli are standard works today.

The American Civil War cut off the support for many American missions, particularly the Baptists and Southern Methodists. The most prominent Southern Methodist in China in the nineteenth century, Young J. Allen, was forced to support himself and other members of the mission. Allen started various publications, including a paper called *Review of the Times*, designed to appeal to officials and scholars and to convey Western ideas and ideals; he founded a middle school in 1882 "to meet the demand for English-speaking Chinese employes in government offices, the customs service, telegraph offices, and the like," through which school had gone more than 2,000 boys by 1898. He was much sought out by leading reformers around the time of the Sino-Japanese War.

By the beginning of the twentieth century almost all American Protestant bodies were engaged in mission work of some kind in China. Representatives were to be found in practically every province in the nation. The methods used may be said to be four: Preaching and training Chinese to preach; publishing religious literature, original and translated; establishing schools; conducting medical work.

The converts, it was found, must be taught to read the literature, so the early missionaries were pioneers in education. Americans were the first to attempt work above the high school level, establishing the first modern higher educational institutions in China. The first four were the Episcopal St. John's College, Shanghai, 1879; the raising of the Presbyterian high school at Tengchow, Shantung, to a college basis in 1881 or 1882; the Northern Methodist universities of Nanking and Peking in 1889 and 1890; the American Presbyterian mission at Canton incorporated "the Christian College in China" in 1893. All were for the education boys alone.

Despite the frequently encountered distrust at such an innovation as starting schools for girls, American missionaries assumed the leadership in such projects.

Three Schools Here

Three such early middle schools are still conducted in Shanghai,—the Bridgman School of the Women's Union Missionary Society, begun in 1864 in Peking, moved to Shanghai in 1881; St. Mary's Hall, American Episcopal, formed in 1881 by the consolidation of two earlier schools; McTyeire School, opened in 1892 after great labor on the part of Southern Methodist Laura Haygood. The Northern Presbyterians founded a girls' boarding school in Canton which is now the famous True Light Seminary.

The only two colleges for women in China and the one medical school for women were established by Americans. Instruction in Ginling College began in 1915 in Nanking, as a joint endeavor of five mission boards. Hwa Nan, Methodist college for women, in Foochow, opened its doors in 1917. The Shanghai Woman's Christian Medical School admitted its first students in 1924.

Today we find in China fourteen universities founded in whole or in part by American missionaries, chiefly along the coast or near the Yangtsze. Already mentioned are the three women's colleges, St. John's Univresity, University of Nanking, Lingnam University (formerly called Canton Christian College), Yenching University (a union of Peking University and several other North China Christian colleges), and Cheeloo University (a union of Tengchow College and several others) at Tsinanfu. Others are: The Hangchow Christian College, formed from the Northern Presbyterian high school in Hangchow in 1897; the Southern Methodist Soochow University, where instruction was started in 1901; the University of Shanghai, union undertaking of the Northern and Southern Baptists dates from 1900; Fukien Christian University in Foochow became a union institution in 1918, but traces its beginning back to a "college" boarding school of 1896; Hua Chung University, Wuchang, was organized in 1929 (a union of Boone University, Episcopal, started in 1903, Yale-in-China, 1906, and Griffith John College of Hankow); West China Union University of Chengtu opened in 1910 through the cooperation of several American, a Canadian and an English mission groups. All universities originally for men now admit women students.

Many of the American mission bodies sent medical missionaries to China. Their work was chiefly in hospitals and dispensaries, usually the only work of the kind in the cities or districts in which they were located. American hospitals for Chinese have rendered magnificent service in large centers like Canton, Ningpo, Shanghai,

(*Continued on page 199*)

Is the Sleeping Giant Awakening

BY NYM WALES

Nym Wales (Mrs. Edgar Snow) came to China just before the Muken Incident in 1931 and did some free-lance newspaper work and ran a column on a magazine. She has written for various magazines in China, England and the United States, including Asia, Life and Letters Today, China Weekly Review, Pacific Affairs, Readers' Digest, etc., and also for Chinese magazines. Mrs. Snow said that she still didn't know what the title of her forthcoming book would be, but the publishers apparently had decided upon "Waking Giant." The book will be published this fall by Doubleday-Doran, New York.

The book deals largely with an extensive trip into the interior, chiefly the Northwest to the so-called "Red Country" which Mrs. Snow took in the winter of 1937-1938, visiting and spending considerable time in Yenman, capital of the Eighth Army, formerly known as the Red Army. A recent article by Mrs. Snow dealing with the Chinese Communists and the United Front appeared in September Pacific Affairs. Following is the last chapter in condensed form of her new book.

THE Japanese invasion is fast accomplishing what Sun Yat-sen and his colleagues failed to do in their "forty years of struggle," what the abortive "Great Revolution" of 1925-27 failed to do, what the Soviets in a decade of daily fighting and propaganda failed to do; it is at last awakening the greatest mass of people on earth.

Nym Wales

Whether or not the great awakening has come too late, who shall say? Suffering teaches a hard school, but turns out excellent pupils.

The central fact in the fast-moving history of the Far East today is this: If the four hundred and fifty millions of China organize, arm themselves, and rouse to action in this eleventh hour, they will not only liberate themselves but break the power of militarist Japan. If they do not, and if neither Soviet Russia, England nor America takes positive action while Japan is vulnerable a new and terrible imperialism, entrenched on a vast continent as well as its island home, will dominate East Asia and create an era of racial and imperialist wars, not only in Asia but involving Europe and America as well.

Will the people of China realize their potentialities before it is too late? There are indications that they will. There are other indications that they will not be permitted to do so. It was to forestall the rise of China that the Japanese are now gambling their own future in an effort to subjugate the multiple millions before any further revolutionary awakening renders this permanently impossible.

Every few years there is a new wave of revolution in China, which somehow loses itself in her ocean of people, but the same inner movement is always there. There was 1911, 1925-27, 1931 and 1936-37. One class of the population rouses itself then another. Until the present they have never coordinated their efforts except for a few months in 1925 and 1927. First it was the middle-class and overseas Chinese and the "returned students" from abroad, who supported Sun Yat-sen. Next it was the student movement and "cultural revolution" of May fourth, 1919. Then it was the modern proletariat in 1925-27. In 1931 it was the peasants who redistributed the land and formed their Soviets. In 1936-1938 it was the patriotic soldiers of China who demanded resistance against Japan.

The south became revolutionary first, stimulated by the pressure of British imperialism. The north required the occupation of Manchuria by Japan to make it realize the meaning of nationalism.

These revolutionary movements were each in turn suppressed at least on the surface. When Japan attacked in North China in July, 1937, it caught the people of China unprepared. The government had an army. The Communists had an army. The students had a thin small voice with which to cry out in the wilderness. But the population itself was completely disarmed, both politically and militarily. For ten years every ounce of pressure that cought be brought to bear by the Government was exerted to make its soldiers and the people believe that foreign invasion was neither imminent nor important, that the revolutionary masses must be suppressed before any attention could be paid to external problems. No public anti-Japanese activity was tolerated except for a few months after the occupation of Manchuria in 1931. The Government tightened its dictatorship over the people and aspired to imitate Hitler and Mussolini. Today not only the people but the Government itself is paying dearly for this Fascist aberration. China may have to pay with her life for this past suppression of the patriotic movement, and the massacre of her finest revolutionary youth who might now be leading a conscious people on to victory.

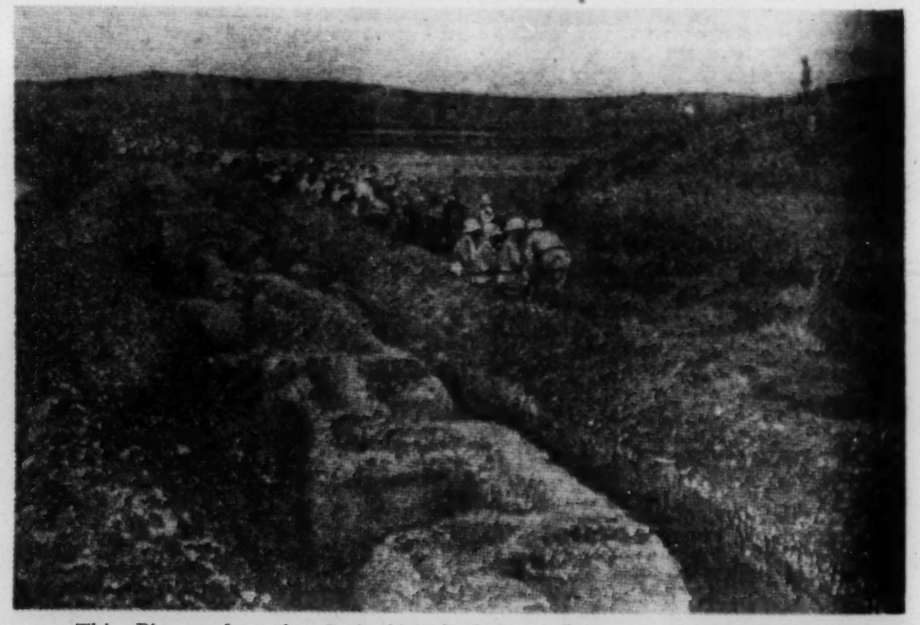
Not Prepared

Because the population was totally unprepared, Japan was able to march her army over half the 19 provinces of China within a year, just as she had occupied Manchuria six years before. She was able to occupy 16 of the most important cities of China—Peiping, Tientsin, Taiyuanfu, Paotingfu, Kaifeng, Tsinan, Tsingtao Chefoo and Hsuchow in the north, Shanghai, Nanking, Wusih, Hangchow, Soochow, Amoy and Kiukiang in the south. At the end of the year China had remaining only six economic cities of major importance—Hankow, Changsha and Chungking in the interior and Canton, Swatow, Foochow and Ningpo in the south, though the latter two were very much under the eye of the Japanese navy. In the far Northwest China still held Sian, Tungkuan, Chengchow—and of course little Yen-an, not unimportant symbolically. Japan had control of all the railways of North China except the line to Sian. Of North China, China had left little territory besides Kansu, Shensi and Ninghsia in the Northwest, and the areas under Communist control in part of Shansi and *behind* the Japanese lines.

Yet the Spanish Republicans still hold Madrid. Why? Because the citizens of Madrid are defending their city, because the population has been mobilized to participate in the war.

In China every one of these cities was occupied by the Japanese troops without any organized participation in the defense on the part of the population. Only in Shansi were the local citizenry mobilized in armed self-defense—and even there the Communists were not permitted to do this until after the Japanese had occupied Taiyuanfu. Shansi is still being held. It has withstood four or five drives against it, and has cost Japan more trouble then any other province during the war. Yet Shansi is noted as the home of the most docile unwarlike provincials in China.

MAKING IT "EASY" FOR THE INVADERS



This Picture, from the *Osaka Mainichi* shows a Japanese column held up by the destruction of a Chinese road near Liuan in Anhwei province. As may be seen from the picture, the road was blasted and converted into a trench by the retreating Chinese troops.

Now after a year of war one proposition stands out clearly in relief: If the Chinese population is not organized and armed, Japan will conquer China. If the population is mobilized before it is too late, China can easily defeat Japan. This alternative is now belatedly being realized in China. It was well-understood by Japan when she first began her campaign of conquest.

The truth of the first part of this proposition has been amply demonstrated. In spite of the gallant defense put up by the professional soldiers of the Government armies, they have everywhere had to retreat. And after this retreat, they leave nothing behind them with which to carry on the defense, and the local population have no way to protect themselves. Now that the industrial base of the Government has been destroyed, the Chinese army is much more vulnerable than at the beginning of the war.

Communists' Defense

But why is it easily possible now for China to defeat Japan, if the people are mobilized? There are several proofs of this but the conclusive demonstration of the capacity of the people for successful local self-defense has been made by the Communists, first in the defense of their little Soviet Republic and, second, in their activities during the war with Japan.

Let us see what the population of China has already done under the direction of the Communists. After the disastrous defeat of the Nanchang Uprising at the end of 1927, Chu Teh had only 1200 revolutionary soldiers and Mao Tse-tung 1,000 insurgent miners and peasants. Within four years, they had organized a Soviet Republic with a population of 9,000,000. These Soviets defended themselves for ten years against an enemy as much better-equipped militarily and economically as Japan compared with China. The Red Army fought against forces ten and sometimes twenty times superior, but because it was supported by the population it was never conquered. It was defeated in 1934 only by an economic blockade and a ring of forts, which Japan could never hope to use for the conquest of China. The Communist movement seemed to have been defeated again and again in China—in 1927, in 1934 and at the ragged end of the Long March. How many of their armies have been annihilated and replaced, nobody knows. But they turned every defeat into a victory—just when their struggle was most desperate, new forces from the masses, roused by the very desperate character of the struggle, re-filled the broken ranks. Like the giant Antaeus, the more they were crushed to earth, the more strength the earth gave back to them. For they *were* the people.

The Communists know the strength of the people of China, for they have called it forth. But long before the first young student in China joined the Socialist Youth in 1918 and placed its faith not in armies, but in the awakening of the mass of his people, Napoleon foresaw this phenomenon when he said:

"China? There lies a sleeping giant. Let him sleep! For when he wakes, he will move the world."

The Soviets were revolutionary, they had an economic base. The people were fighting for their new-found lands and liberties. Will they fight to the last man against Japan as for their Soviets? Yes, the answer has already been given—by the Communists too. *Behind* the Japanese lines, *after* the occupation, the local population is now beginning to fight spontaneously under the direction of the Eighth Route Army.

While the Kuomintang is still in the "scorched earth" stage of military exigency, the Communists are already building and rebuilding in North China. Since the war with Japan began the former Red Army of about 100,000 men has tripled its size, and organized partisan warfare throughout the occupied provinces of Shansi, Hopei and even Chahar.

After these spectacular activities, which caused a wave of enthusiasm for the Communists to sweep over China, the Communist troops and political workers settled down to serious work. They avoided engaging in pitched battles with the Japanese, thereby rendering useless the enemy artillery, airplanes, tanks and massed formations, and settled down to the process of driving the invaders slowly mad by constantly harassing of lines of communications and by sudden swift night-attacks tob reak the morale enemy troops. Then while the Japanese were concentrating on the attack against the Central troops farther south, the Eighth Route Army took the gala occasion to move in at their rear. It was a field-day for them. The Communists divided their army into small mobile units which penetrated everywhere, organizing partisan support, *a*ad arming the people as they went. By July, verey province under Japanese occupation in the north seemed to have Eighth Route guerillas maneuvering about. On July 7, to commemorate the Liukouchiao Incident, they paid a little social call at the bridge of that name near Peking, and made a raid on Mentoukou nearby. They have been reported within 20 miles of Tientsin, also.

Boring from Within

By the end of 1937, the Communist control behind the Japanese lines was sufficiently well-organized to establish a new government, which was given a mandate by Hankow in December as the Shansi-Chahar-Hopei Frontier Government." The Japanese held the railway lines and highroads, but the Communists worked in between these lines, organizing the villagers for prolonged resistance in the future. *Hsien* governments were created on a democratic basis, and local Mobilization Committees organized support for the army, and recruited volunteers for the People's Self-Defense Corps. Boys and girls were recruited into the Young Vanguards, women had their own Women's Anti-Japanese Societies, and in general the organization of the people proceeded rapidly. Many schools for training in guerilla tactics, in spying activities, and in various phases of military and political work were established, and at Fuping on the Shansi-Hopei border the Communists had two academies, branches of their Anti-Japanese Military and Political Academy in Yen-an, which turned out several hundred students every three months to work among the people. Mass education through the use of Latinized characters was pushed forward in primary schools, also.

The provinces under Japanese occupation were divided into five areas, administered by the Shansi-Hopei-Chahar Frontier Government. The head of this government was Nieh Jung-chen, a Szechuanese age 39, and an electrical engineer. I met Nieh Jung-chen in Yen-an when he was political commissar of the First Red Army Corps. He is tall, thin, and intelligent-looking, with very irregular features. He speaks excellent French, as he studied at Paris University in 1920, then spent two years studying electrical engineering at Charles Rowe's College in Belgium. After that he went to Berlin for awhile, then during 1924 spent six months at the Eastern Laborers' University in Moscow and several months at the Red Army Academy there. When he returned to China in 1926, he was made Secretary of the Political Department of Whampoa Academy. In the Nanchang Uprising he was political commissar to Yeh Ting's division. He participated in the Canton Commune in 1927, then went to the north, where he did organizational work for the Communist Party in Peiping, Tientsin and at the Tungshan Mines—useful experience in preparing him for his present work in those areas. In 1931 he entered the Central Soviets in Kiangsi. He is one of the veteran Communists, having joined the C.Y. in 1921 in France.

Within six months after having begun this work behind the Japanese lines, the Eighth Route Army people claimed to have mobilized a People's Self-Defense Army of 500,000; only about one-quarter of whom were armed, however, and to have a million villagers participating in anti-Japanese activities only in the Second Area under the Frontier Government, which included 17 districts in northern Hopei and eastern Shansi. In this Second Area the Government operated a postal system for 3,000 villages, had 10 radio stations, and claimed to have 3,000 miles of telephone lines functioning. It also published 17 daily newspapers and maintained 14 hospitals, as well as having several arsenals busy producing ammunition, hand grenades, bayonets and swords, and other light arms.

At the same time the Communists harriedly tried to re-organize economic activities, and to help the farmers with the production and distribution of their crops. Land was not redistributed, but the people were relieved of taxes and surtaxes, rents were lowered, a three-years' moratorium declared upon all debts, and the land of absentee landlords—living in Peking (which city is almost entirely populated by landlords) and Tientsin—was not allowed to lie fallow. A boycott of Japanese goods was enforced, and land formerly devoted to raising cotton and tobacco for export to Japan, was utilized for foodstuffs. The Frontier Government also created its own bank and issued its own banknotes, making it impossible for the Japanese-controlled Federated Bank to gain any currency control over these areas. The Eighth Route Army is also trying to coordinate the activities of the Manchurian and Korean vounteers with their work.

Chiang's Guerillas

Will the Chinese take advantage of this opportunity in time to make this urgent rear attack effective? Only now after a year, has the Government realized the importance of mobilizing such reserve forces. Yet the Government army is still kept on a strictly professional basis, and all recruits are selected and trained through the *pao chia* system of class-domination. The local populations are not yet armed and organized to share ni the defense, except where the Communist units operate behind the enemy lines at great disadvantage and with insufficient arms and not even enough stores of dynamite to effectively destroy bridges and other strategic points.

Impressed by the success of the Communists, Chiang Kai-shek has been reorganizing some of his Central armies for guerilla warfare, but these units have not had much success due to their inexperience and the fact that they do not effectively organize the population to support them. Such individual fighting requires the highest determination and morale and is best carried out as a partisan measure of self-defense by the local population, not by professional soldiers. It also requires the greatest initiative on the part of the squad commanders, which is the secret of the excellent command of the Communist units, and the main weakness of the Government armies. Moreover, the Red tactics is not a simple form of guerilla tactics, but a more scientific type developed over long years of experience and study of Soviet methods as well. The Communist call it "maneuvering warfare based on the principle of the short, decisive attack," and an integral part of its strategy is the mobilization of partisan units to cooperate with the army. P'eng Teh-huai, now in field command of the Eighth Route Army, explained the principles of this maneuvering warfare to me when I was at his headquarters. In speaking of the war against Japan he said:

"The fundamental idea in our strategy must be to relaize a war of maneuver and of annihilation. That is, we must decisively destroy small units of the enemy. We must chop every advance into pieces as it thrusts forward. This is exemplified by the Red

(*Continued on page 190*)

Hankow Cheerful as Japanese Army Advances

BY K. J. ESKELUND

THOUGH Japanese troops are steadily closing in on Hankow, the city is quiet and most people there believe it will take the invaders at least four more months to reach the temporary capital.

Shanghai landers imagine great excitment exists in the city. That is a mistake. Hankow is at the present rather dull to stay in for foreigners. Moving pictures which get to the city, are all one or two years old, and business being dull and dancing forbidden except in a few small Russian cabarets in the French Concession and in one high-class restaurant which closes at 10:30 p.m., foreigners do not have much to do but to sit in the clubs and talk.

Japanese air-raids belong to the order of the day, but lately the Nipponese planes have confined their bombings to the outskirts of the city where there supposedly is an air-field. About all Hankow-people see and hear of the raids, are the siren warnings; the trembling of the earth when the bombs made their holes in the ground; the smoke-clouds which the explosions raise.

Few weeks ago, great crowds of Chinese hurried to the French concession when the air-raid warnings sounded. But the raids sometimes lasted two or three hours before the all-clear whistle was blown, and in the meantime the sweating people had nothing to do. That soon became very tiresome, as warnings sometimes sounded three times a day. Now, only few Chinese rush to the French concession. Most of these who do, are rich Chinese who drive to the borderline in their huge, modern cars.

Three months ago, Hankow was more war-weary than today. Then, many Chinese business-men were tired of the war and hoped peace-negotiations would soon come under way. But when it became appearent Hankow would not fall for several months, and business at the same time took an up-swing in the city, merchants and traders saw the future in brighter light and cheer fullystarted vacuating their belongings to Chungking or Ichang, while they continued doing businessin Hankow.

Poor More Optimistic

The poorer classes, who know little about the war, but who form the greater part of public opinion in the city, mostly believe Hankow will not fall within a year. As explanation for this optimistic viewpoint, they say the Japanese still have a very long way ahead before they reach Hankow.

Hankow Chinese do not seem to believe in peace within the next few months, or even the next year. They are proud of the resistance offered by the Chinese army against the Japanese. "Women Djung Kuo Ijen" (we Chinese), accompanied by a proud look in the eyes, is a more popular slogan than ever among Chinese in Hankow.

The Chinese government is conducting a strong, anti-Japanese campaign in Hankow—as well as all over China—at the present. Streets in the temporary capital as well as in the smallest village, are decorated with placards illustration now Japanese soldiers torture the Chinese. Besides these gory pictures, the government has also printed many posters which show the new unity in China and ask everybody to do his best.

To say that the government is conducting an anti-Japanese campaign, is really wrong. Crude characters on the sides of the posters always explain that China hates the Japanese militarists, whereas she is a friend of the suppressed Japanese people.

All streets in the ex-Japanese concession in Hankow, suddenly changed names a few weeks ago. One morning, the cheering Chinese populace found that the old, Japanese signboards had been torn down and new ones, smelling of fresh paint and bearing the names of Chinese war-heroes, put up.

The city is full of uniformed men and civilians who, it seems, walk about in great confusion. But the Chinese have their own way of doing things. Though it looks to visitors as if most of the Chinese in Hankow are walking to and fro without knowing where to go, many of these men, in their long, fluttering Chinese dresses or in their ill-fitting uniforms, all of them carrying a decorative fan, are in reality necessary linksin the organization of this war of resistance.

Power Company Doing Nicely

The foreign power company in the French concession is making plenty of money now. It supplies electricity to Wuchang and tne outskirts of Hankow, from where the original Chinese companies have moved their power plants to Ichang or other safe places, or had them demolished by Japanese airplanes. Because of the threat of these airplanes, and of a Japanese invasion, companies are afraid of investing in new plants outside the concession. Due to good business, the foreign power company has been able to lower its rates in the French concession and at the same time raise its dividens to shareholders by almost fifty per cent.

Wounded soldiers sometimes arrive to Hankow by the thousands. They are treated in public buildings for a few days or a week, and later can be seen starting off—by foot—for the front again.

The building of the Yokohama Specie Bank on the Bund in Hankow, is now the center of a refugee-employment campaign. Few weeks ago, all families in the city were asked to lend their sewing machines to an employment committee. Today, hundreds of refugee-women are busy in the building sewing uniforms and clothes for other refugees.

Comparatively few refugees stay in Hankow at the present. The ones who arrive, are almost immediately sent on by the government to the interior provinces. Refugee-camps outside the city, which were all full to capacity four months ago, are empty today.

Sinister-looking soldiers, armed with huge, automatic pistols are standing on guard outside all public buildings. Often, in the evening when one tries to get a bit of rest, the air shivers with false tones, as about fifty young soldiers are learning how to blow a trumpet just outside the French concession.

Photo by K. J. Eskelund

Resistance in Hankow! A head-shave under vigorous protest.

Thousands of refugees are being trained on the outskirts of the city. "I-erh-san; i-erh-san" (one-two-three), their voices keep repeating as they, wet with sweat, march up and down the fields for hours.

Rents Go Up

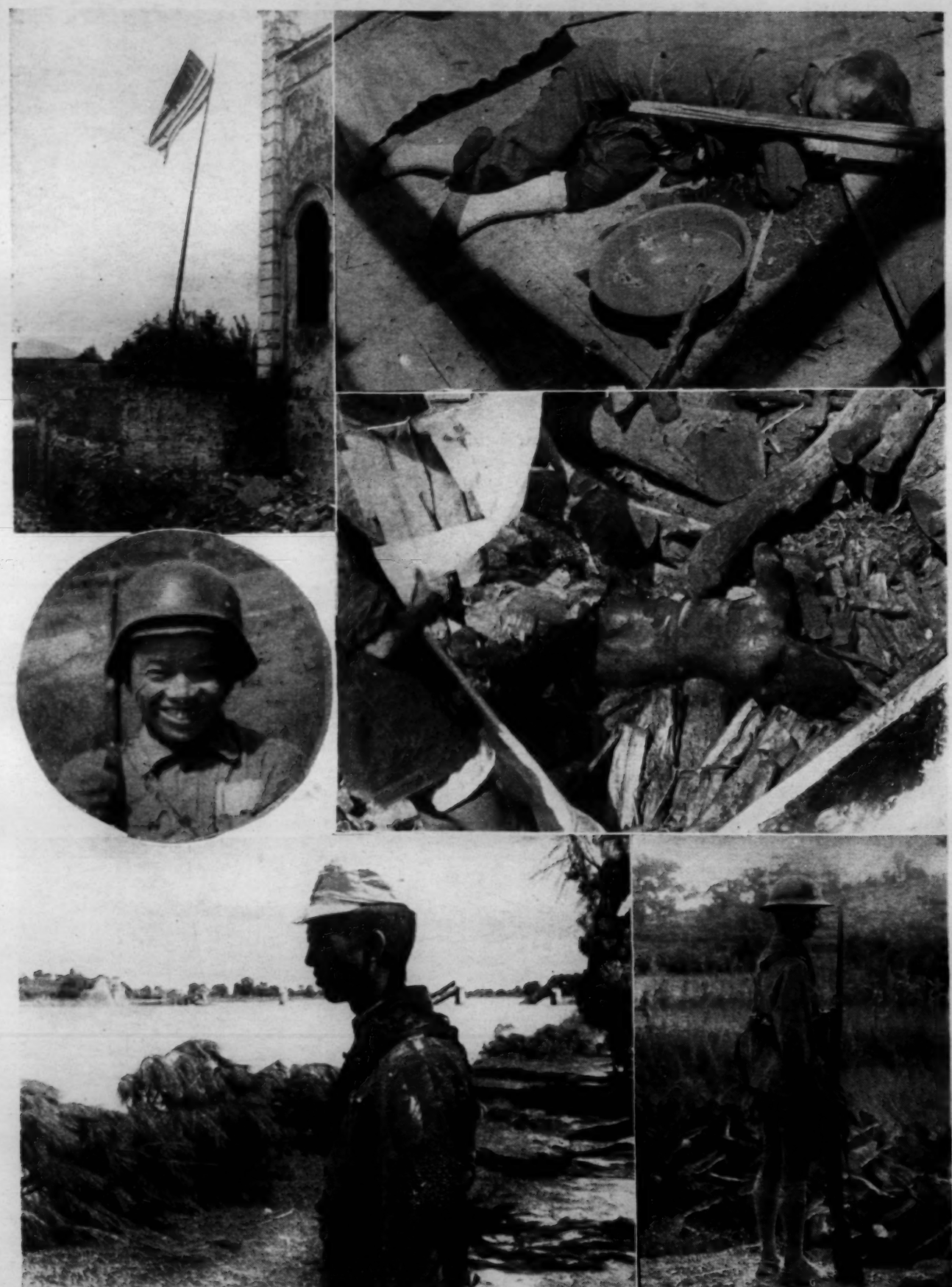
House rents have trebled in the French concession. Even several *li* from the concession, room-rents are now double the rates of a few months ago, although several hundred thousand people have left the city for safer places in the interior during the last four months. These people mostly left not because they feared a Japanese invasion of Hankow, but because of the many Japanese air-raids. Foreigners who have property in Wuchang or on the outskirts of the city, are now trying to store their valuables inside the concession, so store-houses are becoming worth a good deal of money.

The Foreign Resident Association of Hankow has required that every foreigner living in the concession shall pay $30 for emergency food supplies. For the money thereby collected, the French authorities have bought up stocks of flour, salt, sugar, and canned food.

In the Chinese city, people remember the two bombings of the densest populated areas about three months ago, and get a bit nervous when the air-raid warnings sound. But hardly any trouble ever occurs, and armed policemen always keep the streets free until the all-clear warning sounds.

Altogether, the Japanese threat worries Hankow but little. Children are playing in the streets as usual; people are bargaining at the markets; ricksha coolies are arguing for another five coppers. People do not seem to believe the Japanese will ever get to Hankow. "And if they do," Hankow laughs, "the tiger will have left his den—Gen. Chiang Kai-shek will be in Ichang or Chungking—and the Japanese can start their hunt anew."

THE CAMERA FOLLOWS THE WAR IN CHINA



Bombed on all sides by Japanese aircraft, the American flag still flies in the courtyard of an American church which emerged from the bombardment unscathed. (Below) Disturbed by the nightmare of war? Not this grinning Kwangsi soldier, photographed behind the Huangmei front. (Upper right) Life's end after one of the bombings of Hankow. (Right center) The broken body of a youth, one of hundreds in a Japanese raid on Hankow. (Lower left) A Chinese soldier near the Kiangsi front. In the background is a bridge smashed by Japanese bombs. (Right) Sentinel duty on the Huangmei front.—*Photos by K. J. Eskelund.*

What America Should Do About the Orient

BY EMORY W. LUCCOCK, D.D.
Pastor, Community Church, Shanghai, China

(Reprinted from China Today, N.Y., for August)

JUST before sailing from Shanghai to Hongkong I talked with a Japanese friend about the leave of absence that had been granted me by my Church in order to help interpret the situation in the Far East to my fellow country-men here in the United States. I emphasized my misgivings concerning my country's Far Eastern policy, not only because it seemed to me to be irresponsible and short sighted, but because it was so obviously involving us in the most insane and disastrous armament race so far, and because it was violating and nullifying all that had been implied and worked in the Nine-Power Treaty and the Kellogg-Briand Pact of Paris.

My Japanese friend agreed with my point of view, but he made this significant comment. I quote him verbatim. "We Japanese are not afraid of any change in America's Far Eastern policy because Americans have no genuine morality. They have only pious phrases. What Americans have means so much more to them than what they are, they will continue to sell to Japan whatever Japan has the cash to pay for, regardless of what Japan does with it after she buys it."

Unquestionably, we, in the United States, are in the position of saying to Japan, "We abominate what you are doing in China. Every trace and pretense of our decency abhors it. Your broken faith and your anarchy are undermining world security. Nevertheless, as long as you can pay us either in cash or in relatively secure assurances (including offers of shares of your plunder), we will continue to sell you what you have to have and can't get anywhere else, in order to go on doing it."

An American education has incapacitated me for any respect or high expectations from such a position and policy.

In Shanghai I am stigmatized as a pacifist.

But pacifism is much more than war evading. It is peace making. And peace making involves responsible participation in interdependent living. The psychology and irresponsibility and narrow self interest of the cyclone cellar will not suffice. We must play our part. Even Nathaniel Pfeffer, one of the keenest and most competent commentators on the situation in the Far East, and until very recently an ardent exponent of prudent isolationism, has come to realize that irresponsible bystanding is neither possible nor prudent. It is not possible because we are already too deeply involved; it is not prudent because if things are allowed to take their own ocurse they possible sedurity of economic co-operation will be replaced by the vicious insecurity of armed isolation, and at best we will have succeeded in side-stepping a difficult and dangerous situation only by handing it on to our children in a greatly aggravated form. That is neither good sense nor good morals.

What part ought we to play?

"Too Damned Idealistic"

We can begin by doing something drastic about our active and effective co-operation with the aggressor. In Washington, I talked with one of the most prominent leaders in the so-called National Council for the Prevention of War. (In terms of the practical consequences of its position and philosophy this organization ought to be re-named the National Council for the Promotion of War.) He said to me, "The trouble with Americans is, they are too damned idealistic. That is what will get us into war." I can understand why American, or any other, idealism is a problem to him, and to all professional pacifists whose chief concern is safety first in the stratdegy of shortsighted expediency. But what I can't understand is why these pacifists, instead of using so much effort in trying to debunk and emasculate idealism, do not appeal to and challenge it on behalf of peace instead of on behalf of war. In any event, as I travel about the country, I am gratified to find that Americans are "too damned idealistic" to be content with the dishonorable and panicky irresponsibility of our present Far Eastern policy and are wanting to play a more enlightened and worthy role. This can and needs to begin with wahtever will help end our present analomous role as an active and helpful participant in an aggression that we have roundly condemned.

I am myself an ardent exponent of a Japanese boycott. I have neither bought nor sold Japanese goods since their invasion of Manchuria in 1932. My nationalism is not in any degree ill-will toward the Japanese people. For I am convinced that their China policy will, if unhindered, victimize them even more tragically than it is victimizing the Chinese. Whatever pressure can be exerted by the boycott, not only in giving practical and constructive expression to individual disapproval of Japan's invasion of China, but in making that invasion more difficult, will be as great a contribution to the well being and future of the Japanese people as to the people of China; not to mention the well being and future of the people of the United States, and of the rest of a world that has become too interdependent to exist in terms of arrogant and violent self-will. An American boycott of Japanese goods could be promoted without appeals to hate and to the desire to go to war, and it offers an appropriate and at least a somewhat effective contribution toward ending our present active co-operation in Japan's aggression. But it will at best fall far short of requirements. It must be supplemented by a sizeable reduction of our war sales to Japan. Not at all as an act of war. (Although the idea of Japanese retaliation, when Japan is so over-involved in China, and when Russian hasn't begun to be dealt with, fails entirely to impress me.) But as a normal discharging of part of our obligation as a signtory of the Nine Power Treaty and of the Pact of Paris. I favor a nation-wide campaign this early autumn urging Americans to write to their congressmen and Department of State they demand that American banking and business be officially "discouraged" in dealing with Japan during the continuance of the aggression, and that our miscalled "neutrality" legislation be revised until it makes possible a responsible and an honorable neutrality. Our people are widely ready for such a campaign. It would make possible an important first step towards a pacifism that is worthy of its name.

The Cost of Peace

This non-co-operation with the aggressor must be complemented by co-operation with non-aggressors, first in parallel economic policies that will withhold the means of aggression, and second in taking seriously and doing something about such facts as we have at our disposal in the Van Zeeland report. It has been wisely remarked, that the nations that believe in war enough, to pay what war costs, are having everything their own way because the nations that believe in peace are not willing to pay what peace costs. There isn't any question about our wanting peace. But there is question about our willingness to pay what peace costs. Part of the price of peace is co-operation with other nations, not in terms of a political and military balance of power, but in terms of mutual economic and commercial interests that have manoeuvred us into a dependence upon each other and makes what used to be pious platitudes, impractical and dispensable rules of behavior. To those, who misunderstand Japan's invasion of China as an act of economic necessity in the guilt of which Western nations much share, both because we have denied that Japanese reasonable possibilities of expansion and development in other areas, and because we have furnished Japan with convincing demonstrations of how through military aggression she can get what is wanted, it needs to be emphasized that:

(a) The Japanese, under Baron Shidehara's (Japan's liberal Minister of Foreign Affairs from 1926-32), "commercial penetration" of China, were making such headway as to discredit the Japanese military thus bringing on a series of murders and acts of violence on their part. This culminated in the launching of the military invasion of China in order to create a crisis in which independent and critical thinking could be outlawed, and all Japanese life and loyalty regimented into an unquestioning subservience to the military's dictation;

(b) So far as the situation in China was responsible for Japan's invasion, it was not the lack of good government or of national unity in China which endangered the lives of Japanese residents in China and interfered with the normal development of Japanese legitimate interests in China. On the contrary, China's remarkable progress in both good government and national unity was the very threat to Japan's wholly illegitimate interest in China (Russia at its worst has never carried on such bribing and bulldozing of corrupt and irresponsible agents in another country as the Japanese have carried on in North China), and to Japan's very status as the dominant nation in Far Eastern affairs. The Japanese military were afraid of China's reconstruction and set about to destroy it before it made further headway;

(c) The day is past for securing war materials and markets by conquest and the building of Empires. England is finding that out in India as we found it out in the Philipines;

(d) This invasion of China is destroying the very raw materials and markets that are indispensaible to Japan's survival. In the interest of that survival the sooner the invasion is ended the better, for the sake not so much of China, as of Japan;

(e) No permanent peace can be possible as long as any Japanese are in China on any other terms than as guests in a country whose sovereign rights are recognized and respected.

The third step toward a more enlightened, responsible, and honorable (I still believe in what those words stand for and suggest) American Far Eastern policy is implicit in the first two and will become explicit as progress is made in the non-co-operation and co-operation therein set forth. That is, to find, and play a part in Far Eastern affairs that is appropriate to, and worthy of our professed idealism our unquestioned power, and our questioned but recoverable prestige. I do not pretend to be sufficiently competent to point out all that involves. But as an American, who has lived in the Far East for the last seventeen years, I realize, more than residence in this country would have made me realize, the importance of playing such a part.

The U. S. Flag's First Oriental Trip

BY VERNE DYSON

Director, Institute of Chinese Studies, New York.

INFANT nations must have the milk of foreign commerce. When the United States was one year old, a small craft, the *Empress of China*, courageously sailed out of the harbor of New York an 18,000-mile voyage around South America and across the Pacific to Canton, there to enter into competition with the older and more experienced trading nations of Europe. On May 11, 1938, it was exactly 153 years since the light vessel with a heavy name returned to New York, having not only successfully founded our Far Eastern trade but also inaugurated a friendly policy toward the Chinese which became a diplomatic tradition, enduring to the present time. Consequently the voyage of the *Empress of China* is, in American history, associated not only with ginseng, the "image of man" medicine, but with international good-will.

Major Samuel Shaw, an American patriot and Revolutionary War hero, who sailed on the *Empress of China* as supercargo, or commercial agent, gave diplomatic success to the voyage, while the cargo of ginseng made the financial profits. Next to tea, Jen-shen, so called by the Chinese because of the supposed resemblance of the stalk to the human form, is the most celebrated plant in the whole Orient. By the Chinese a medicine distilled from the aromatic root is regarded as a powerful remedy for fevers and weaknesses of all sorts—a "cure all." While the Chinese cultivate ginseng, they never have been able to supply their own domestic demands. Since the plant is native to America, the fathers of our nation early recognized its importance as an article of international trade. To Shaw and to ginseng must history credit the happy outcome of our earliest commercial expedition to China. Perhaps there is another—a more dramatic explanation of the origin of ginseng. If the American Indian is, as most persons now realize, of Oriental origin, it is not unlikely that the Indian took ginseng to America on his long trek from Mongolia, or Tibet, around the great circle from the Asiatic Continent, across Bering Strait, or the Aleutians, to the North American Continent.

Commissioned Lieutenant of Artillery in the American army in 1775, Shaw advanced to Brigade-Major in 1777, and two years later was appointed Aid-de-camp to Major-General Knox, commanding the Artillery. He was with General Knox and General Washington when they took possession of New York after the retreat of the British, and he was present at Washington's emotional farewell to his officers on December 3, 1783. One month before the-latter event Washington had written a letter to Shaw, commending him for being an "intelligent, active, and brave officer."

But when wars end their heroes must often, as we of the present generation well know, descend to unheroic life levels; it was so with Shaw, the patriot, the warrior, the friend of Washington. The end of the war found him looking for a job. The friend who appeared was Daniel Parker, agent for a group of New York merchants who had purchased a ship to open trade with China. Shaw was appointed supercargo and persuaded Thomas Randall, another friend, to accompany him on the voyage.

Off to China!

With a cargo of ginseng, the *Empress of China*, a vessel of 360 tons, "carpenter's measurement," sailed from New York, Sunday February 22, 1784, commanded by John Green. Parker and "several other gentlemen" went as far as Sandy Hook. In passing the Grand Battery, the *Empress of China* saluted the thirteen guns, and in return received a salute of twelve. The breeze having failed, the vessel anchored for the night at the light house and proceeded the following morning. In two days the *Empress of China* was out of sight of land.

Good luck followed the ship all the way to Canton. No dangers were encountered, and Shaw, in the lack of more important material for his Journal, tells that in crossing the Pacific three flying fish landed on deck, and a monkey fell overboard. Java Head was reached July 17. Finding there the French man-of-war *Triton* and another smaller ship on the way to Canton, it was agreed that the three vessels should sail through the China Sea together, the *Triton* already having made eleven voyages to the Far East. "The commodore," Shaw relates, "furnished us with his signals by day and night, and added such instructions for our passage through the China Sea, as would have been exceedingly beneficial, had any unfortunate accident occasioned our separation."

Six months out of New York (August 23, 1784), the *Empress of China* reached the Portuguese colony of Macao which the Chinee Government used as an "Ellis Island" for all foreigners entering Canton. Sponsored by the French, the Americans reported to the Chinese officials and were permitted to proceed to Canton.

To open trade with the Chinese, Major Shaw and his associates had to deal with surprisingly complicated social and commercial conditions at Canton. The Americans were completely unknown in the Far East and totally without prestige; further, they had the disadvantage of being identified by the Chinese as Englishmen who, despite their vast trading interests in the Orient, had affronted the natives with their overbearing manners. A less generous-hearted and resourceful man than Major Shaw would have failed.

At the time of the first visit of Americans to Canton, the Chinese imperial government strictly confined all international trade to that port. No foreign vessels were permitted to visit any other Chinese port nor were individual alien traders allowed to conduct business elsewhere than at Canton. China's reasons for enforcing these stringent regulations involves a long story, one that begins with the arrival in 1518 of the Portuguese trader, Simon de Andrade who, unlike Shaw, affronted the Chinese by kidnapping their women, committing acts of piracy, building a fort, and trying to acquire territory.

Guild Handles Deals

A guild of thirteen Chinese merchants, known as the Co-hong regulated the trade at Canton. All communications from foreigners, whether relating to commercial or diplomatic affairs, had to be submitted to the Chinese officials through this guild, a regulation that brought many protests from aliens.

The Americans made their headquarters with the French until their own factory was ready for occupancy on September 6. On the day of their arrival the new-comers were visited by members of the Co-hong and by "the chiefs and gentlemen of the Danish and Dutch factories." English merchants called on the following day. "We returned these visits," Shaw remarks, "in the order that they had been made, and received invitations from the chiefs of the several factories who each in rotation, gave us a national dinner and supper."

Shaw continues: "Ours being the first American ship that had visited China, it was some time before the Chinese could fully comprehend the destinction between Englishmen and us. They styled us the 'New People.' When, with a map, we conveyed to them an idea of the extent of our country with its present and increasing population, they were not a little pleased at the prospect of so considerable a market for the productions of their own empire."

Majow Shaw described the peculiar Chinese methods for transacting business, and tells of his success in matching patience with them: "The Chinese traders are in their manners open and free. They have great command of their own temper, and watch closely that of others. They will not scruple to offer one-third of what is demanded for merchandise and repeat the same offer every day for a week. One of them offered me less than one-half of the price at which I valued it, and would come day after day and make the same offer. I treated him politely every time, and adhered to my first demand with which he finally complied. After the bargain was settled we had this conversation:

"'You are not Englishman.'

"'No,' I replied.

"'But you speak English word, and when you first come, I can tell no difference; but now I understand very well. When I speak Englishman his price, he say, 'So much . . . . take it. . . . let alone.' I tell him, 'No, my friend, I give you so much.' He look at me: 'Go to hell, you damned rascal. What! You come here . . . . set price on my goods?' Truly, Massa Typan, I see very well you no are Englishman. All China-man very much like your country'."

Shortly before their departure, the Americans became unpleasantly embroiled in a feud between the Chinese and British. While firing a salute for departing guests, a sailor on the British ship *Lady Hughes* accidentally killed a Chinese coolie in a mandarin's sampan near-by and wounded three other natives. Under the Chinese law "blood must answer for blood." Chinese officials demanded the surrender of the gunner but were told that he could not be identified. Mr. Smith, the supercargo of the vessel went ashore to explain the matter and was decoyed into the city, seized, "thrown into a sedan chair, and committed to prison."

Four years previous to this incident, a French sailor who had been arrested by the Chinese for killing a Portuguese subject in a scuffle was tried, convicted of murder, and publicly strangled. Recollections of this affair alarmed the British over the possible fate of Mr. Smith.

Trading Stopped

The foreign merchants, including the Americans summoned armed men from their ships to guard the factory quarter. Chinese war junks came up and anchored in front of the foreign district. All trading was stopped. The foreigners unanimously demanded the release of Mr. Smith, but the Chinese refused to comply unless the guilty gunner were surrendered to them. Finally to obtain the freedom of Mr. Smith and to restore trading operations, the British surrendered the gunner. His fate was unknown to the Americans at the time they sailed, but he was strangled on January 8, 1785, on orders received from Peking.

When the Americans were ready to sail they were denied clearance papers, the *Empress of China* having been wrongly, and unknown to Shaw, registered as a British vessel. Since the case of the *Lady Hughes* had not been adjusted, the Chinese were not issuing sailing permits to English vessels. Shaw and Randall petitioned the French consul to use his good offices with the Hoppo. In this document the petitioners denied that they were Englishmen and declared: "We are Americans, a free, independent, and sovereign nation, not connected with Great Britain, nor owing allegiance to her, or any other power on earth, but to the authority

of the United States alone; and we pray the Chinese to consider us in that view, and grant our passports accordingly."

The French consul presented the Americans' case to the Hoppo, and clearance papers were issued. The Chinese official explained the reason for the wrong registry. Pankekoa, the feador, knew that the *Empress of China* was American, but registered her as a British to avoid having to send a present to the Hoppo as was the custom when a vessel from a new nation arrived.

The *Empress of China* sailed from Canton, December 28, 1784. On March 14 she rounded the Cape of Good Hope, proceeding to New York without any unusual occurrence on the voyage except the death of the ship's carpenter, John Morgan. He was the only member of the crew to die on the long cruise.

"At 6 p.m. on May 10, 1785," Shaw records, "we sighted the Neversink. During that night we stood off and on, at nine the next morning got a pilot on board, who at noon brought us to anchor in the East River at New York where we saluted the city with thirteen guns, and finished our voyage."

The return of the vessel is reported in *London's New York Packet* in the issue of May 12, 1785.

"We have the satisfaction of announcing the arrival of the ship *Empress of China*, Capt. Greene, Commander, from the East Indies, at this port, yesterday, after a voyage of fourteen months and twenty-four days. She sailed from this port about the 15th of February, 1784, and arrived in Canton in August, having touched at the Cape de Verdes. She took her departure from China the first of last January, and in return touched at the Cape of Good Hope, from whence she made her voyage here in about two months. The crew during the long voyage have been remarkably healthy. The carpenter who went out in a bad state of health, died on the homeward passage. We learn that Capt. Greene met with polite usage during his stay in Canton. The British commodore was the first to salute his flag on his arrival here."

Treated Politely

The issue of the same journal for May 16, 1785, prints a short interview with "a gentleman on board," who apparently was Major Shaw:

"The day of our arrival in Canton, August 30th, and the two following days we were visited by the Chinese merchants, and the Chiefs and gentlemen of the several European establishments, and treated by them in all respects as a free and independent nation; as such, during our stay, we were generally considered. The Chinese themselves were very indulgent toward us, and happy in the contemplation of a new people, opening to view a fresh source of commerce to their extensive empire. After remaining nearly four months at Canton, and experiencing from all hands, every possible attention, we set sail for America the 28th of December, and happily arrived in this port on the 11th instant."

The voyage of the *Empress of China* made for its owners a clear profit of $30,727.00, or more than 25 per cent on the capital investment of $120,000.00. Randall who had remained in China returned to New York later with a cargo of tea, valued at $50,000.00 which also was sold at a profit.

On May 19, Major Shaw made an official report of the voyage to John Jay, United States Secretary of Foreign Affairs, who submitted the memorandum to Congress. Jay reported back to Shaw that "Congress feel a peculiar satisfaction in the successful issue of this first effort of the citizens of America to establish a direct trade with China, which does so much honor to its undertakers and conductors."

As a result of Major Shaw's successful mission to China, he was, on January 1, 1876, commissioned United States consul at Canton, this being the third appointment of the kind made by the new American Government. The position carried no salary, yet, as Secretary Jay reminded Shaw, "so distinguished a mark of the confidence and esteem of the United States will naturally give you a degree of weight and respectability which the highest personal merit cannot very soon obtain for a stranger in a foreign country." Shaw's was the last consular appointment made in the pre-constitutional period; in fact, it marks the boundary line of the two periods since on February 10, 1790, a second commission was issued to him in New York by President George Washington.

Consul Shaw sailed from New York for the Orient a second time, February 4, 1786, as supercargo of the *Hope*, a vessel of about the same tonnage as that of the *Empress of China*. He was to devote the remaining eight years of his life to the commercial and diplomatic interests of the United States in Eastern Asia. "The trade of the United States with China and India he made the special object of his study."

When Shaw reached Canton he found the *Empress of China* and three other American vessels at the port—five in all, including the *Hope*. The American trade in China which he had founded was expanding rapidly. And there was in this new commerce of the Americans an element of reciprocity which surprised and somewhat alarmed their European competitors. Shaw explains in his Journal:

"The inhabitants of America must have tea, the consumption of which will necessarily increase with the increasing population of our country. Since the nations of Europe have to purchase tea with specie, it must be pleasing to an American to know that his country can have it upon easier terms. The advantages peculiar to America are in this instance are striking; and the manner in which her commerce has commenced, and is now going on, with this country, has not a little alarmed the Europeans. They have seen, the first year a single ship, not the one-fifth part of whose funds consisted in ready money procure a cargo of the same articles, and on equally good terms, as those of their own ships—purchased, as has been observed, principally with specie. This ship is now on its second voyage, and there are four others. They see these ships depending, and that, too, with sufficient reason, upon the productions of their own country to supply them with the merchandise of this; and, though only a small proportion of their funds consisted of specie, they see them all returning with full and valuable cargoes. Such are the advantages which America derives from her ginseng."

"Resident by Accident"

Between seasons at Canton, Shaw went to India on trading expeditions, becoming part owner of a business in Bombay. A census of foreign residents taken at the Chinese port in April, 1787, has this entry: "American: Mr. Samuel Shaw, Consul, resident by accident, being disappointed of a passage to Bengal."

Shaw's trading ventures were very successful and, in July, 1789, he returned to the United States with sufficient capital to build a ship of his own, the *Massachusetts*, which was almost a thousand tons larger than any merchant vessel that had been constructed in the United States up to that time. On the *Massachusetts* he sailed from New York, March 28, 1790, on his third voyage to China, his commission as consul having been renewed, February 10, by President Washington. In this document, the Chief Executive enjoined "all Captains, Masters, and Commanders of ships, and other vessels, armed or unarmed, sailing under the flag of the United States, as well as all other of their citizens" to recognize the consular authority of Shaw, and he petitioned "His Imperial Majesty the Emperor of China, and his Governors and officers to permit the said Samuel Shaw fully and peacebly to enjoy and exercise the said office without giving or suffering to be given unto him any molestation or trouble, but on the contrary to afford him all proper countenance and assistance."

Very shortly Shaw had an opportunity to test the new authority which had been granted to him; at Batavia he found that American trade had been prohibited as a result of evil reports spread by the merchants of rival governments. He protested this unfair action with the authorities at Batavia and with the Dutch home government. And he informed the United States government of the situation.

In China, Shaw sold the *Massachusetts* to a company of Portuguese traders. Two years later he returned to the United States by way of Europe, disposing of merchandise at Bombay and Ostend which he had shipped in a Danish vessel. Shaw, the restless trader and world-traveller, now took time to be married; on August 2, 1792, he and Hannah Phillips, a member of a well-known Boston family, were wedded. Six months later, however, he left his bride for his fourth and last voyage to China. In Bonbay he contracted an incurable liver disease. Continuing to Canton he was confined to his bed during the whole of his stay there. Sailing for America on the Washington, March 17, 1794, he died ten weeks later at sea, near the Cape of Good Hope. In a letter, written at Sandy Hook, August 24, Thomas Randall who had made the voyage on the *Washington* informed Mrs. Shaw of the death of her husband. Shaw had given ten years of his life to the Far Eastern trade, and had placed it on a lasting friendly basis.

New York, Aug. 15, 1938.

Japan-U.S. Merchant Marine Competition?

Several months ago when it was thought likely that the Dollar Line's Pacific traffic might become a thing of the past, Japanese shipping circles were hilarious with the prospect that Nippon's Merchant fleet, notably the Nippon Yusen Kaisha, would become the undisputed ruler of Pacific waters.

Ambitious plan were laid, N.Y.K. taking the lead by letting it be known that it planned to introduce an epoch-making trial in the passenger-cargo transportation by linking sea and air. Enthusiasm for this scheme reached a feverish pitch when Mr. Noboru Otani, the company's president, and Mr. Saito, director, began taking a hand in the management of the Japan Air transport Company. Foundation of the plan was the equipping of two giant vessels with all the facilities necessary for the contact between ship and plane. The plan began to take shape several days ago when N.Y.K. announced its decision to start construction of two 27,000-ton luxury liners, "to play the part of the Queen Mary in the Pacific, and in order to conform with the national shipping policy."

By a strange coincidence, on the same day in Washington, the Maritime Commission which had finally ironed out the tangled affairs of the Dollar Company, announced the approval of an operating differential subsidy of approximately U.S.$3,000,000 annually, and the decision to spend U.S.$100,000,000 for at least 24 new ships.

The American announcement undoubtedly dropped with a sickening thud in Tokyo, and somewhat dimmed Japan's dreams for absolute supremacy in the Pacific.

'An Enmity of a Hundred Generations'

BY T. S. YOUNG

WITH the fortune of the present war still hanging in the balance, no one who has but a pair of ordinary eyes can see into the future and foretell its outcome. Many writers on the war situation has ably presented their viewpoints in the light of day-to-day developments, and drawn their own conclusions in accordance with their own judgement. Personally I have always guarded myself against becoming over-optimistic vis-a-vis the war situation; for the war is still at its early stage, and from now till its conclusion anything may happen to upset our predications.

I, as ever, believe that China is doing the right thing in taking up arms to return blow for blow, no matter how weak is her military machine. I also believe in the wisdom of the military strategy as pursued by the Chinese High Command in drawing out the war, as it is the only one which can be advantageously followed by a weak nation against a much stronger country. With her immense human power and vast territory, China can afford to wage a war of endurance andwait for the turn of events. But it is unjustifiable that we should place too much confidence in our future success simply because of these favorable conditions, and brag much of our final victory. We must remember that the modern war is fought both on the battleground and in the economic field; and in order to gain the final victory, we must offer successful resistance on both frontst

Neither do I look at the present march of events through the spectacles of pessimism. It is perhaps but human nature that we should be elated over our successes and disheartened by reverses. But in a prolonged war, it is not decided by its initial successes or reverses, but by its final outcome. As a matter of fact, the steady withdrawals of our forces into the inland and the gradual loss of our territory are simply natural developments which should not take us by surprise, as we have learned at the commencement of hostilities that in our war against a much stronger country, the results in the initial stage cannot be otherwise. Dr. Sun Yat-sen even opined that within forty-eight hours after the declaration of war against China, Japan could easily occupy all the cities along the China Coast. If Dr. Sun's opinion could be taken as a criterion, the whole China would have been long ago under the iron-clad heels of Japanese soldiers. Thus a dispassionate review of the war history of the past ten months should give us an encouragement rather than a discouragement. So long as there shows no sign of cracks in our wall of resistance, as long this war of endurance can be carried on to our advantage. And so long as our soldiers have high morale and can give a good display of their courage and bravery, as long the Japanese warlords have not an easy time to reach their objectives. Therefore, at present there is no cause for us to become pessimistic, when our soldiers are fighting as gallantly and heroically as before.

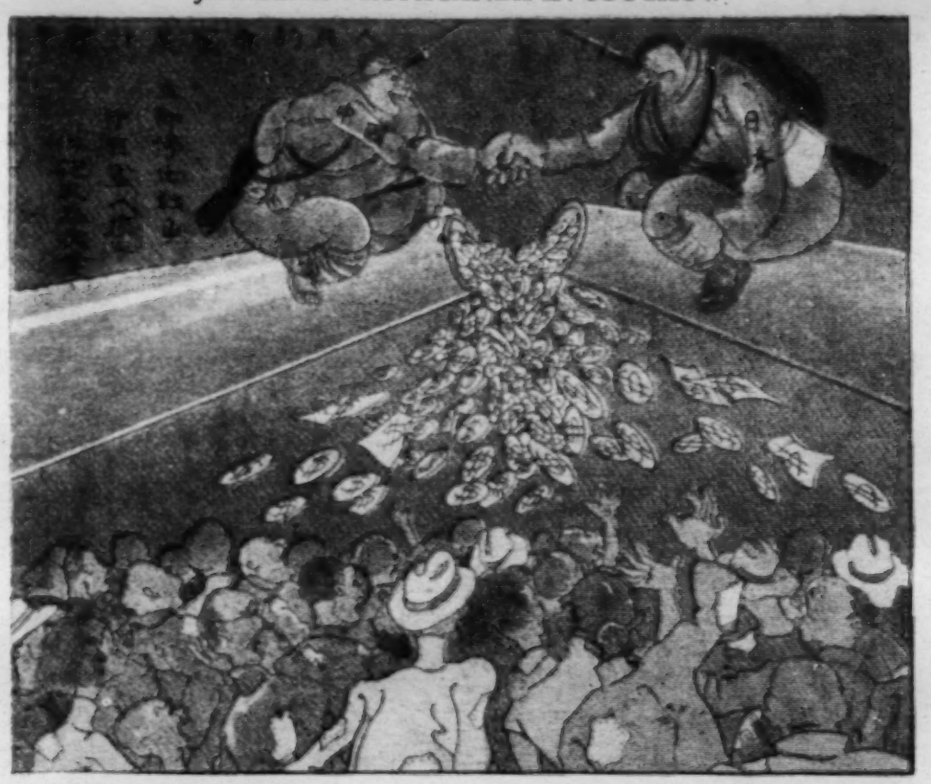
Attitude of People

What has worried me is not the war situation, but the attitude of our own people. Since the beginning of hostilities, I have always asked myself whether the average Chinese can firmly and courageously stand the sacrifices and sufferings of the prolonged war. His love of peace, his abhorrence to war, and his yearning for normal life may all contribute to extinguishing his fire of patriotism and developing in himself a defeatism which would inevitably result in the collapse of our resistance.

The farmers and laborers who constitute the great bulk of our population are mostly illiterates. Their very limited knowledge denies them to acquire an intense national consciousness or to hold any sublime faith. They generally ask no privileges but to be left alone and pursue their callings in peace. The Japanese indeed have an excellent opportunity of winning the support of those people in the occupied areas to their cause, if they could only maintain a strict discipline among the ranks and files of their army, and act upon their repeated assurances that they have had no enmity against the Chinese civilians. To tell the truth, many of our people even refused to evacuate themselves from the war zones, for they could not believe that the Japanese soldiers who are reputed as highly disciplined would commit such atrocities that are not perpetrated by modern Chinese soldiers.

I am glad to note that after more than a year of bloodshed, sufferings and sacrifices, our people as a whole have not faltered in their determination to fight and in their confidence in the policy of resistance. The fever of war, instead of subsidizing, has very much heightened and affected the people even in the remote corners of the country. Even the moderates have changed their previous stand and become disciples of the war. The anti-Japanese sentiment, that was but an occasional outburst and a temporary phenomenon in the past, has now been fanned by the Japanese themselves into an intense fire, which has spread itself far and wide, and devoured the heart of every Chinese.

JAPANESE PROPAGANDA IN SOOCHOW



This is a handbill which was distributed at a meeting of so-called citizens at Soochow, August 30, 1938. The Japanese are said to have instructed the puppet government there is force coolies and beggars to take part in the meeting and demonstrate in a parade along the streets, waving flags and tossing handbills. For this, they received paltry payment. The Chinese characters in the top line inform the public that friendship between China and Japan is expected. The three vertical lines offer the happy thoughts that war should be stopped immediately, that Chinese and Japanese should shake hands, that guns and bullets should be converted into food and clothes.

This enmity will likely become a heritage to the Chinese people of future generations, and stand in the way of any rapproachement between Chinese and Japanese peoples in spite of their racial and cultural congruity. The Japanese have left no stone unturned to alienate the allegiance of Chinese people from the National Government as a measure to overthrow Gen. Chiang Kai-shek's regime, but the means they have been employing in terrorizing the people by bombing the open cities have, on the contrary, only served to strengthen their determination to stand by their own Government and carry the war to the bitter end.

The daily raids conducted by the Japanese planes over Canton and many other cities, while striking terror to the hearts of the people, have in a large measure aroused many of them from their habitual lethargy and indifference, and given them a wakening which would not be possible under other circumstances. And the Chinese people in the Japanese occupied areas, with what they have actually seen and what they have bodily and mentally suffered, are even more intense in their sentiments against the Japanese although they have under great pains kept themselves reticent and indifferent.

No Reason for Peace

The owners of industrial establishments, who have been

(*Continued on page 205*)

China and Japan—After a Year of War

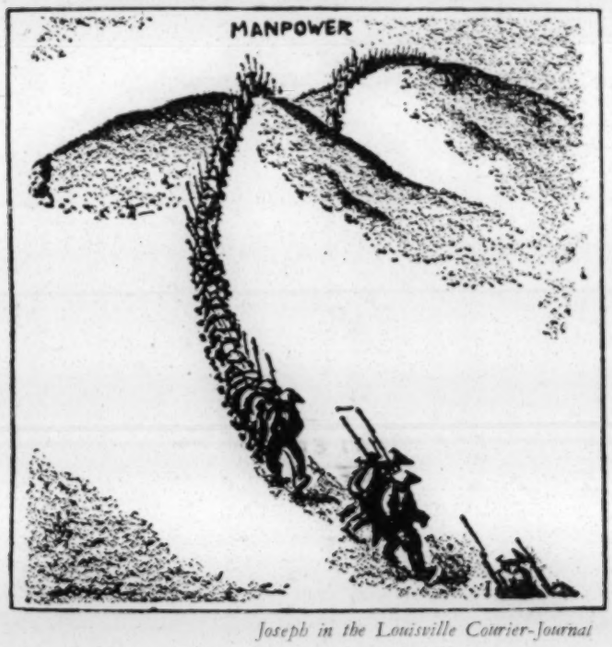
BY NUGENT RUGGE

THE opportunity to contrast the position in which China and Japan stood in July, 1938, with that occupied in July, 1937, was not seized by many of those who wrote reviews of the first year of war. Such a comparison seems to the writer to be desirable and he has ventured to try to make it. The points most worthy of consideration are relationship with other nations, military power and international credit. Let us first take military power.

When the war began Japan was acknowledged to be a Great Power. Her army was believed to be the equal of any other army in the world. It was thoroughly mechanized, thought to be efficiently officered and the Imperial General Staff was credited with having carefully worked out plans for coping with every possible contingency attendant upon hostilities with any likely, or even improbable, foe. The army was said to possess reserves to meet the wastage of war sufficient for three or four years.

Among the world navies the Japanese ranked third—only Great Britain and the United States of America possessed larger and more powerful fleets. By general admission, the Japanese warships were kept in a state of thorough efficiency. The personnel

"THE GREAT WALL OF CHINA"



Joseph in the Louisville Courier-Journal

was well disciplined and trained. There was also a powerful air fleet and both army and navy airmen were said to challenge comparison with those of any other nation for skill and fearlessness. Although Japan imported much aviation material, she had well-equipped factories capable of turning out service planes which were said to be hardly less efficient than the best products of American plants. Both army and navy had a tradition of invincibility. Japanese servicemen had been to taught—and firmly believed—that when Japan marched to war she marched to victory.

" On paper China possessed one of the largest armies in the world, but it was notorious that only a few divisions were really first grade troops and even these were comparatively lightly equipped. The Chinese army was less than ten per cent. mechanized and the artillery arm was deplorable weak. A beginning had been made of standardization, but generally speaking plans for improvement were only in their preliminary stages. The navy was an entirely negligible quantity. Most of the ships were obsolete, or at least obsolescent. While useful for coastwise policing duty, the navy was of no importance as a military factor.

Some attention was beginning to be given to the air arm, but all planes were imported and the number of trained pilots and observers and even mechanics, was small.

Tradition of Defeat

China's military forces had a tradition of defeat. In the present century, China had twice been defeated in Manchuria, by the Soviet Union in 1929 and by Japan in 1931. From a military point of view, if the power of Japan was represented by 100 in July, 1937, that of China would stand at about 15.

The beginning of the second year of war found Japan still nominally a Great Power, but with her military reputation badly shaken. The "invincible" army, which the Japanese High Command and many foreign military experts thought would bring China to her knees in less than six months, had only a series of Pyrrhic victories to look back upon and one humiliating defeat. What were supposed to be two of the best divisions in the Japanese army were routed and fled in utter disorder at Taierchwang. The short and inexpensive war that was anticipated has proved to be a long and costly campaign. Over a million Japanese soldiers are now in China, and in addition probably upwards of 400,000 are in military cemeteries and hospitals.

This army, which was reputed to be equal to any in the world, thoroughly trained, equipped with tanks, armored cars and all the most up-to-date mechanized instruments of war and aided in much of the fighting by the navy, had utterly failed, in a period of twelve months to gain a decision over an army that was not regarded seriously by the world's military experts in 1937.

Just as the prestige of Japan's army has sunk, that of China's army has risen. The Chinese soldier has gained the reputation of being a first class fighting man who can stand up against the heaviest punishment with a doggedness that has never been surpassed in the world's military history. At the end of the first twelve months of hostilities, China had more and better equipped first line troops than she had at the beginning. This in spite of sacrificing some of her best divisions in the three months of fighting round Shanghai against the combined army and navy of Japan. The morale of the Chinese troops is unshaken and they are more grimly determined than ever to expel the invader. Foreign military experts are beginning to believe that they will accomplish their aim.

Relations With The World

The only country with which Japan had strained diplomatic relations at the beginning of the war was Soviet Russia. Japan was, of course, still under the shadow of the censure of the League of Nations over her Manchuria adventure, and by reason of that censure the money markets of the world were closed against her. But, notwithstanding the distrust with which she had been regarded since she tacitly announced that international obligations were not binding upon her if she believed that they ran counter to her own interest, her relations with the United States, Britain and France were friendly at all events in the diplomatic sense.

China also was on good terms with the whole world except Japan. Even with Japan's associates in the Anti-Comintern Pact, Germany and Italy, she was on good terms, in fact military missions of nationals of both countries were in her employ. With America, Britain and France she was in the most cordial relationship. The policy of reform and reconstruction upon which she had embarked had the full sympathy of these Powers, and there was no doubt that financial support would have been forthcoming when the reconstruction program was actually started.

The beginning of the second year of war found Japan practically friendless except for Italy and, to a modified extent, Germany. She had again been condemned by the League of Nations, and most of the countries which were signatory to the Nine Power Treaty had openly accused her of violating her engagements. She had been held up to world scorn by the Washington Government for violation of international law and the laws of humanity by her methods of warfare. Incident after incident, including the wounding of the British Ambassador to China and the sinking of the U.S.S. *Panay*—in each instance by Japanese airmen—had brought her to the verge of war with the nations concerned. The absolute refusal of the Japanese military authorities to respect third Power interests in China in spite of the repeated promises of their own government that they would be protected, had opened the eyes of the Occidentals as to "Japan's real intentions." The Western Powers have been taught by the Japanese military that the defeat of China would mean the loss of the interests that they have built up during laborious decades and their ousting from Asia by Japan.

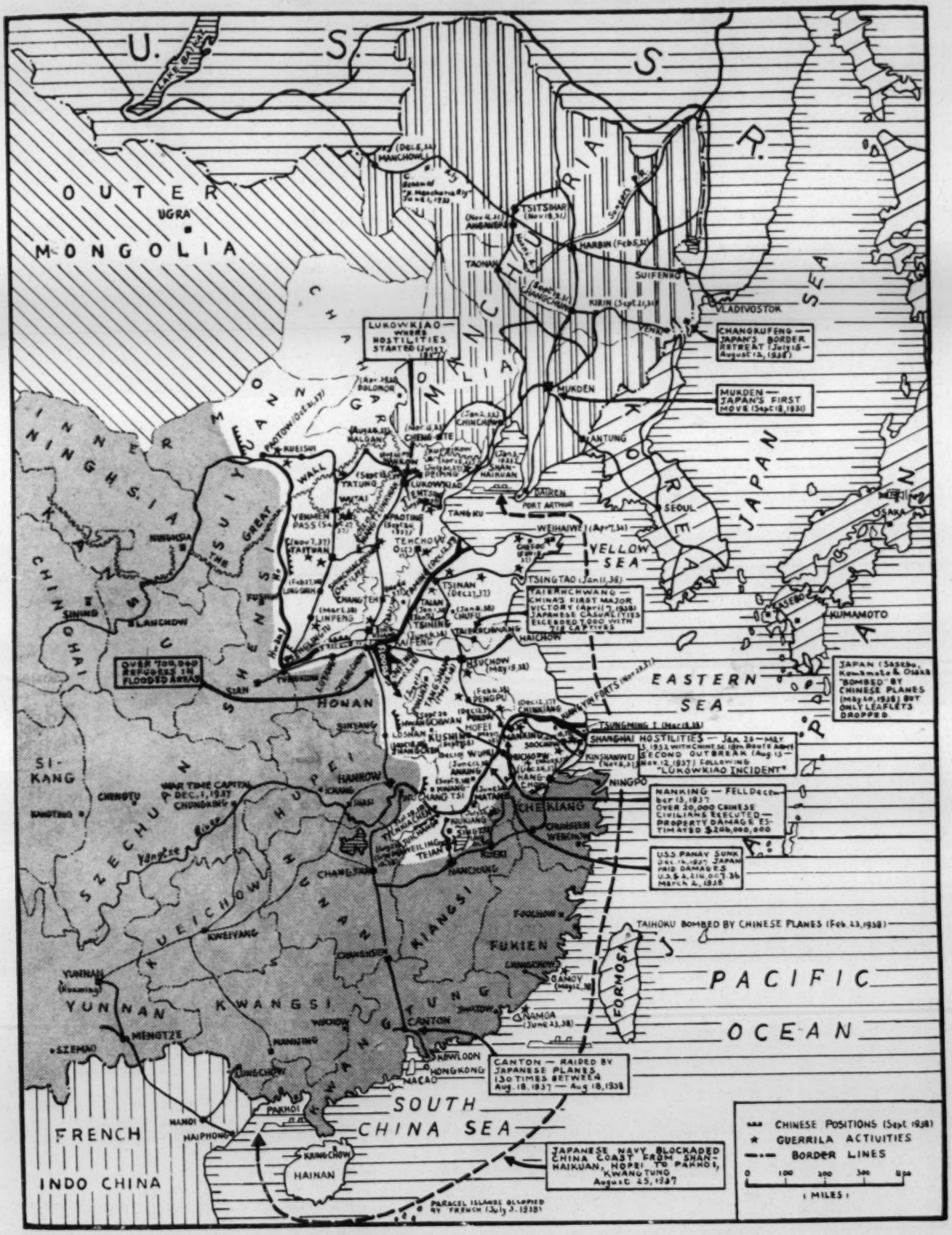
Furthermore the whole world has been horrified by the relentless bombing of civilian centres and the ghastly orgies of rape and pillage that followed the capture of Nanking and other cities by Japanese troops. The Japanese army has gained a reputation for bestiality, drunkenness and indiscipline that will probably endure for all time.

On the contrary China has kept and increased the goodwill towards her which the world felt when Japan started her latest war of aggression. Now that China has shown that she is prepared to fight valiantly against enormous odds the sympathy which naturally is extended to the apparently weaker in a contest has been changed into warm admiration and respect. After having done all she could, and many thought more than she should, to preserve peace, China astonished everyone—Japan most of all—by refusing to be brow-beaten any longer and has thereby entirely changed the viewpoint of those whao thought that she expected other countries to fight her battles for her.

By picking up the gage of battle which Japan had flung in her face, China not only showed that she was prepared to fight for her independence and sovereignty, but also that she was the one nation ready to uphold by arms the principles of sanctity of treaties and collective security. Other and much more puissant nations had contented themselves with paying lip service to these

(*Continued on page 202*)

CHRONICLE OF THE WAR IN CHINA



Map by P. C. Chen, China Weekly Review.

Shaded area on the map indicates the area in China into which Japanese have not yet penetrated.* The unshaded sections show districts under Japanese occupation, but over which they exercise only nominal control.

IN THE SLEEPING GIANT AWAKENING?

(*Continued from page 181*)

Army's annihilation of advances into Soviet territory. In general, we must avoid formal positional warfare wherever it is possible to maneuver instead, although there may be some exceptions to this. Of course, there must be positional defense of large cities, but the position in the defense plans should be by *points* and not by a *line*—that is, we must hold our stationary points but not the line between them, which we defend by maneuvering in that area, and by annihilating parties of attack. We of the Red Army are against the linear plan of defense. Defense by points instead of by a line makes it possible to use a small force to attract a big force of the enemy, thus a minority can force the enemy to deploy big forces around it, thereby making it impossible to use these forces elsewhere, thus the enemy cannot utilize its men efficiently.

A Defeat for Japan?

A year ago it was generally thought that what the Japanese wanted in China, they could take. The great hope for China was that by a war of attrition it could prevent Japan from consolidating its gains. Today, however, it is generally recognized that if China mobilizes all its population and resources in continued united resistance, Japan may suffer a great defeat. The Japanese campaign has revealed grave weaknesses, the greatest of which is a basic contradiction between her military and political strategy, which is only a reflection of the same contradiction in her crazy social structure at home. The Japanese army and its *samurai* officer caste has shown itself to be the vestigial remains of feudalism—one of those anachronisms which history inexorably destroys. It is rapidly committing *hara-kiri* in China by its own hand. It is not even a modern unified force bringing a true imperialism to China. It is not a colonizing force, but a looting and raping expedition in the tradition of the Huns and the Spanish conquistadores. Already it has demonstrated that it is trying to establish, not a true imperialist colony, but groups of feudal Shogunates, each quarreling for power among themselves. It is not impossible that the Manchurian-Korean Shogunate may get into a war with Soviet Russia, while the navy carries out a suicidal adventure in south China and becomes involved with Britain and America. Left to its own devices, there seems to be no limit to the number of stupid misadventures which the Japanese *samurai* militarist mind may contemplate.

However, one must not forget that China itself is no paradise of sweetness and light. China may yet collapse by its own weight. Chinese history may yet repeat itself. The guarantee of success is only that both the ruling class and the people are fast awakening to the common realization that united they stand, divided they fall; that it is not that China cannot defend herself against any external enemy. It is that always, either actively or passively, one vast bloc of Chinese is opposed to another and the Chinese conquer themselves by their own internal contradictions. The third party conqueror steps in and seizes the sceptre of authority at the critical moment, and promptly begins to reorganize the internal class struggle in its own interests. It was not the Manchus who suppressed the T'aiping's. It was Tseng Kuo-fan and Li Hung-chang and the Chinese landlords and bureaucracy. Today it is not the Japanese alone who may conquer China. It is the refusal on the part of the ruling class to permit the mass of the population to participate in the defense—until after their homes are already occupied. They still prefer the hope of fighting with the aid of America, England or the Soviet Union—instead of calling forth the strength of their own people and fighting shoulder to shoulder with them.

The potentialities of their own people are all too well known to the rulers of China. Too many of them fear the waking giant. The old world part of the Chinese ruling class is not interested in having their fellow-countrymen move the world—for, like charity, world-moving begins at home. And today, faced with national extinction, they still say "Let him sleep!" This is natural enough from a purely individual selfish viewpoint—if you were one of a few thousand bankers, landlords, militarists, landlords and magistrates whose business it was to keep 450,000,000 under control in order to exploit them instead of being overthrown by them, you would also think many times before putting a gun into the hands of a hungry peasant or laborer, or even before permitting a young middle school student to tell him the way out already tried and tested in other lands from the time of the French and American Revolutions down to Bolshevism in Russia.

Therefore, at the moment China is not only fighting against Japan, but its ruling class is also very actively engaged in keeping "peace and order" in the rear. Where are all the guns in China? Why are they not doing service at the front? The Chinese have been spending their national treasure on guns ever since nearly forty millions killed each other with spears and blunderbusses in the days of the T'aip'ings. The country has been overrun with armed soldiers, *min-tuan*, *pao-an-tui*, bandits and police. Before the war, China had a standing army of 2,000,000 and 274,040 provincial pao-an-tui, or Peace Preservation Corps. Altogether, including *min-tuan*, or local landlords' militia, and police forces, there could not have been less than 3,000,000 armed men engaged in policing the country—one to every 133 of the 400,000,000 population, excluding Manchuria.

A great proportion of these guns are still in the hands of the "guardians of law and order," who use them not against Japan, but to keep the peace locally. If every gun in China were at the front, and every fire-cracker factory were busy making hand-grenades instead, there would doubtless now be an answer instead of a question as to who is winning the Sino-Japanese war.

Democracy Sought

In the meantime the Chinese Communists have been leading a peaceable but real movement to democratize the government and to secure a voice for the people—at least to secure for them the right to arm in self-defnse. And they want this in order to realize a true democratic unification of the people so as to base the present resistance upon a firm foundation and so that the central government in which they hope to participate, will have real power and strength from below instead of being a mere percussion cap as in the past. This is not a trick for them to seize power for their Party. I am convinced from talking with them that they earnestly

Guarding the home front—Chinese guerilla in Honan.

believe that without some form of democracy, through the medium of which all parties and groups can effectively cooperate, half the battle is lost. So far in Hankow they have succeeded only in organizing a "People's Political Council," with purely advisory powers, in which several Communists are admitted to membership.

The Hankow Government also spends a great deal of time talking about "unity," but by this it means a centralized dictatorship, expanding its little circle of monopoly only so far as to utilize various elements in a peripheral way. The Communists, on the contrary, mean by "unity," a democratic form of representation through which a fundamental organic unification under a Democratic Republic can be permanently achieved. The problem of democracy, therefore, has not yet been solved.

Now after a year, the war, with all its internal problems for China and with all its external international problems, in reaching its crisis. Each is very much dependent upon the other. Japan is now reaching a point so vulnerable that economic sanctions on the part of America and Great Britain and her dominions alone might break Japan—together with a firm stand on the part of the Soviet Union. In the case of such action in the rear, there is little doubt that Japan would be so justifiably jittery, that China could finish her off with a few well chosen attempts. But do the foreign powers want to break Japan? Great-Britain is the stumbling-block which may prevent the collapse of this new imperialism, just it as has supported, by compromise at the critical moment, all other imperialism, since the World War.

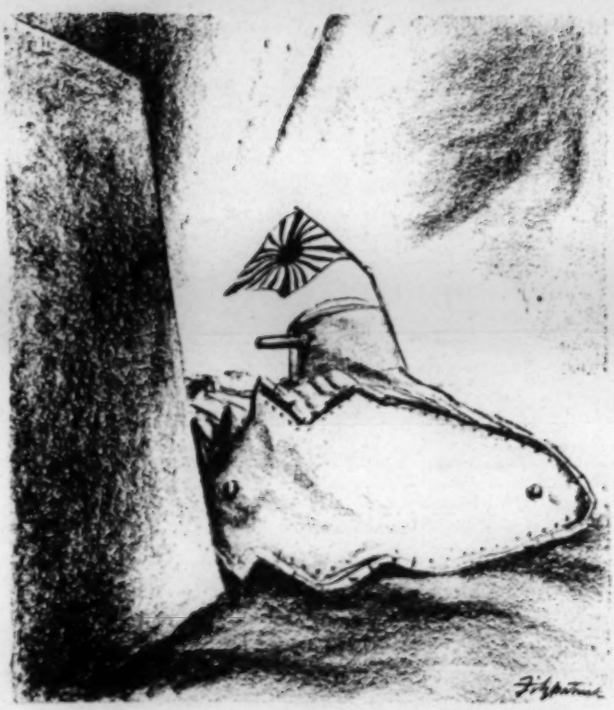
As previously stressed, the present outlook indicates that it is possible for China alone to defeat Japan on the condition that the mass of the people are mobilized both in the occupied and unoccupied areas before it is too late—and perhaps provided there is no intervention on behalf of Japan, especially from Mr. Chamberlain's Government. But there is no other condition upon which this defeat can be realized unless the foreign powers themselves act decisively against Japan. If they do not support China, and if the present Chinese Government continus to fail in its responsibilities of arming and organizing the population—it means that a new liberal-Leftist government must grant democracy to the people and take the leadership in China, which may or may not result in a revolutionary situation.

A hundred years of history is reaching its climax in the Far East today—the hundred years since Japan's Meiji Restoration and China's defeated Ta'ip'ing Rebellion, which resulted in the gradual rise to power of Japan and the gradual colonization of China. China is at bay—but the Chinese fight best with their backs to the wall. One of the basic traditional tactics of Chinese generals is to intentionally put their troops into a trap—and they fight like demons.

Anyone who has seen the Red Army in China, the guerillas behind the Japanese lines, the soldiers in action under Japanese artillery and bombing, will testify to the potentialities of Japan's intended victim. Once given purpose and direction the heroism, the morale, the endurance, the sheer ability to create an invincible front out of nothing but human spirit and flesh of the sons of the common people of China is almost beyond belief.

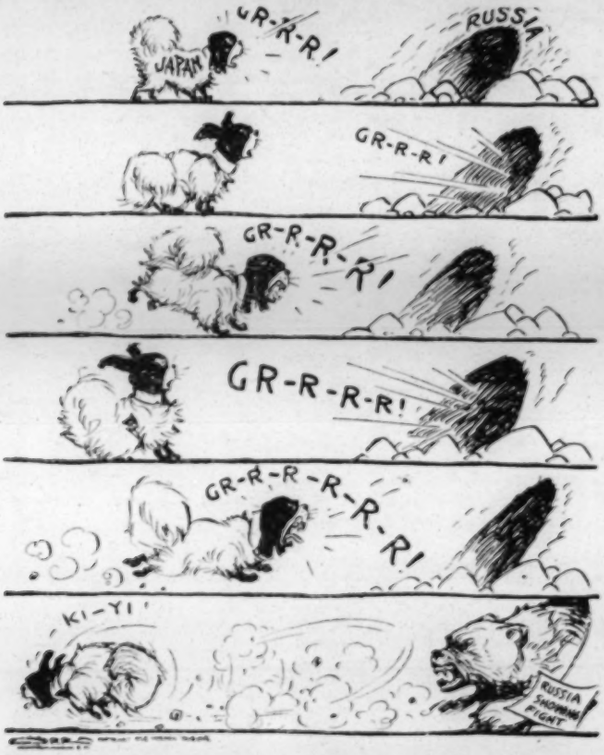
The American Cartoonist Views the Russo-Japanese Squabble

GREAT WALL OF RUSSIA



Fitzpatrick in St. Louis Post-Dispatch

END OF THE GROWLING CONTEST



By Orr in Chicago Tribune

MORE FAR EASTERN SPARKS

Elderman in the Washington Post

"GO TO IT, HUSBAND! GO TO IT, BEAR!"

Orr, in Chicago Tribune

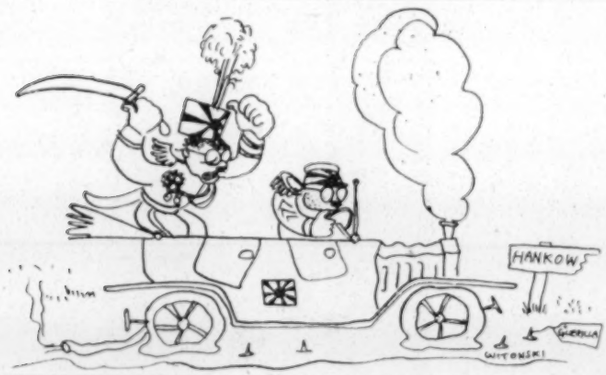
Japan Makes Ready for 'Big Show' at Hankow

Chungking, new wartime capital of China, was raided by Japanese planes on October 4 for the first time since the start of war. Damage done, however, is unknown.

THIS week, Japan got ready for the "biggest show" of the Sino-Japanese war—the capture of Hankow—and, in making their elaborate preparations, took no chances that they might be minus a audience when the Imperial Japanese Army reaches the gates of the city—a matter which is yet a fervent prayer.

To Shanghai this week from Tokyo came 10 foreign observers to join Shanghai correspondents who will join in the march on Hankow, under the wing of the Japanese army. Those who arrived were V. Allessi, *Stefani News Agency*; Arvid Balk, *Hamburger Nachrichten* (Germany) correspondent; L. W. Bush, British lecturer of the Yamagata Higher School; F. Chevalier, of *Le Temps*, France; Frank B. Firminger, British lecturer at the Tokyo University of Commerce; F. L. Hamilton news cameraman; Dr. R. W. Hornabrook, Australian surgeon; R. Morin, *Associated Press* correspondent in Tokyo; Percy Whiteing, correspondent of the Australian *Associated Press*; and Capt. R. Smith, retired British army officer and lecturer.

"ADVANCE" ON HANKOW!



China Today, N. Y.

Mr. Bush and Mr. Whiteing went on a North China junket early this year on a similar inspection tour and amply repaid Japanese hospitality by accounts which buoyed Japan's ego.

Of the newspapermen, only two may be said to be a neutral commentator, for in view of the Rome-Berlin-Tokyo axis, it is fairly certain that both the *Stefani* and *Hamburger Nachrichten* correspondent will toe the line. These are Mr. R. Morin of *A.P.* and Mr. F. Chevalier of *Le Temps*. The lecturers and professors, who are directly dependent for their present positions on Japanese institutions, are also expected to have nice things to say about conditions in war-torn Central China.

This party, it is understood, will be joined here by Dr. Fritz Sellmeyer, local representative of the German *Transocean News Agency*, Mr. Phillipe Messalier, of the *Paris Soir*, and probably from a correspondent of the Deutsches Nachrichtenburo, to which an invitation has been extended.

Mr. Harold O. Thompson, Tokyo correspondent of the *United Press*, may arrive in Shanghai in time to join the party. Others to join in the junket are Paul Dorsey, cameraman for newsweekly *Time*, and Victor Jurgens, cameraman for newreel "March of Time." Before leaving Tokyo, Dorsey and Fumitaka Konoye, son and secretary of Japan's Premier, engaged in a dialogue anent Japan's war which was broadcast on the N.B.C. system throughout U.S.

Sideshow Attraction

Meantime, oblivious to the fact that they were scheduled to be a sideshow attraction, the Chinese army this week battered a Japanese attempt to circle around their right wing on the south bank of the Yangtsze, as crack Chinese units formed a stonewall in the vicinity of Wuning. Plot of the Japanese was to advance along the highways via Wuning and Tungshan to cut the Peiping-Hankow Railway near Hsienning, south of Hankow, but the hardened veterans of the Hankow Pass and Taierchwnag battles stood in their way.

At the same time, another Chinese column from Teian on the Kiukiang-Nanchang Railway advanced northwestward to attack the flank of the Japanese east of Wuning, and when it was all over Sons of Han claimed the invaders lost more than 2,000 men, the 3rd and 123rd detachments being wiped out.

Still a hotspot on the Yangtsze front is the area near Tienchiacheng, 90 miles downriver from Hankow. Here, Japanese forces are on their way northwestward along the north bank towards Kichun in advance of Japanese warships which have not yet penetrated the strong Tienchiacheng boom. However, minesweepers have been observed operating in the vicinity of the boom, while to the east warships are waiting impatiently.

Reports from the north said that Japanese are massing troops along the Shansi-Hopei-Chahar border for an extensive drive against Chinese guerillas operating in that area.

Over 3,000 Japanese troops have arrived at Hunyuan and Kwangling, north-eastern Shansi, and at Yuhsien and Szehoying, south-western Chahar. 2,000 "Manchukuo" troops have arrived at Yangyuan, south-western Chahar, and Yangkao, north-eastern Shansi. A combined force of 2,600 Japanese infantry, cavalry and artillery has been massed at Yuhsien, eastern Shansi. Hundreds of Japanese troops have been despatched to Sinhsien, Tingsiang, Kwohsien and Yangmingpao, in northern Shansi. In all these areas laborers and oxen are being commandeered for military transportation.

Canton to Build Boom

Meantime, Canton fearing penetration by the Japanese navy, has, under the direction of the Kwangtung Provincial authorities, made preparations to erect a boom at the mouth of the Pearl River. Advices say that various shipping companies have been informed of this decision.

Reports from Tokyo said that there is no likelihood of Japan Japan making a formal declaration of war against China. The opinion prevailed in official circles, however, that any Powers that should apply sanctions against Japan under Article 16 of the League Covenant would automatically treat the China incident as a formal state of war between Japan and China, and in so doing would not be able to claim Japan's protection for their rights and interests in China.

These circles declared that Japan would take measures against such Powers as might adopt such a policy, but the measures would largely depend on the nature of sanctions actually applied. Such measures in all likelihood could be taken without Japan's finding it necessary to formally declare war on China, Domei's informants stated. It was understood that "possible steps" were under official consideration at the present time. Whether any such measures would involve the integrity of foreign settlements and concessions in China was a question on which responsible persons in official quarters refused to commit themselves either way.

China Unable to Pay Salt Loan

The Ministry of Finance on Sept. 28 announced that the instalments of principal due Sept. 30 on the Crisp Loan and the Anglo-French Loan will not be paid as scheduled owing to the failure to collect the salt revenues in the zones occupied by Japanese military forces. This marked the first moratorium on both foreign and domestic bonds and loans by China since the outbreak of the Sino-Japanese hostilities. Both the Crisp and Anglo-French Loans were secured on the salt revenue. The postponement, according to the Ministry of Finance announcement, is indefinite.

In making the statement, the ministry pointed out that since the establishment of the national government, sincere efforts had been made to pay both the arrears in interest and principal. In October, 1934, payment of all arrears due to the holders of the Anglo-French Loans was completed. As to the Crisp Loan, the arrears in interests were paid in 1930 the payment in arrears in principal was to be completed in 1940.

As the major portion of the salt revenue has not reached the government treasury as result of the Japanese occupation of various provinces and seizure of revenues, the ministry could not but temporarily postpone the payments due tomorrow, it was explained.

Chenonceaux Suffers Mechanical Damage

Buffetted by heavy seas, the French Messageries Maritimes liner Chenoncaux went aground Oct. 4 off Lyemoon at the entrance to Hongkong harbor, her steering gear and machinery seriously damaged. All passengers and crew of the 14,000 ton vessel were, however, reported safe.

The liner was on her way from Shanghai to Hongkong when she was caught in the typhoon that struck the Hongkong Oct. 3. The scene of the mishap is near where the Japanese Nippon Yusen Kaisha liner Asama Maru was grounded last year. The Asama Maru was refloated and has resumed service on the Pacific after being completely refitted.

Soochow Silk Plants Open

Two silk reeling plants in Soochow resumed operations recently. One of them, the Wah Foo, was formerly the Chinese-owned Dah Yue Filature. It was reorganized this year and re-opened in April under Sino-Japanese management. Fifty per cent. of its shares are now held by the Central China Development Company. The Oong Sheng and the Chungnan Match Factories also have reopened in Soochow and their products are sold in Shanghai and various inland districts in Kiangsu. The Ssu Luen Cotton Mill, the sole mill of its kind in Soochow, is making preparations for reopening in November, the Naigai Wata Kaisha, Ltd., having agreed to invest in the mill.

10,000 Officers to Be Promoted

More than 10,000 sub-lieutenants on the reserve list will be promoted to lieutenants, the Tokyo War Office announced this week.

Conservatives Face Fight Over Munich Agreement

With his position compromised by recent events in Europe, Czech President Edouard Benes is reported to have resigned on October 5. At the same time, the International Commission faced new difficulties with the report that Hitler has demanded that besides the five zones now being ceded to Germany, the new Czech frontiers exclude all those areas where the population comprises more than 51 per cent of Germans. Rumors said that if the demands were not satisfied, Germany would immediately settle the problem herself.

WHEN Prime Minister Neville Chamberlain, Reichsfuehrer Adolf Hitler, French Premier Edouard Daladier and Signor Mussolini rose from the conference table in Munich on September 30, a European war had been averted, Sudetenland in Czechoslovakia had been ceded to Germany, Poland and Hungary had been assured of a slice of Czech territory, the British and German leaders had initialed a "no war pact," and everyone was happy except Czech President Benes and militant opposition groups in England who burst into a flood of vituperative oratory.

To labor and liberals, Chamberlain who "bargained for peace at any price," was no Conquering Hero. While England's anti-Conservatives fumed, the world, nonetheless, expressed gratitude that Europe had not been plunged into another upheaval. But in the midst of this happy situation, a dark shadow for the democracies crept. Fascism had engaged in its first big tussle with Democracy, and had emerged the winner.

And so, on October 1, Nazi troops goose-stepped across the former Czech border and claimed Sudeten for its own. Down came the red, white and blue flag of the Republic of Czechoslovakia and up went the Nazi Swastika, and the army began the process of occupying four territories which was to take them until October 7 to complete. They were:

1. On the southwest frontier of Czechoslovakia in the southern part of the Bohemia forest, on the Austrian-Sudeten frontier and north of Passau and Linz.

2. On the north frontier of Czechoslovakia, comprising, among other regions, the greater parts of Bodemach, Tetschen, Schoenlinde, Rumburg, Warnsdorf Gross Schoenau and Friedland.

3. Egerland with the towns of Eger, Karlsbad, St. Joachinsthal, Marienbad, Tachau, Neudek, Graslitz, Asch and Franzenbad.

4. On the Silesian frontier of Czechoslovakia, including Jaegerndorf and Frendenthal.

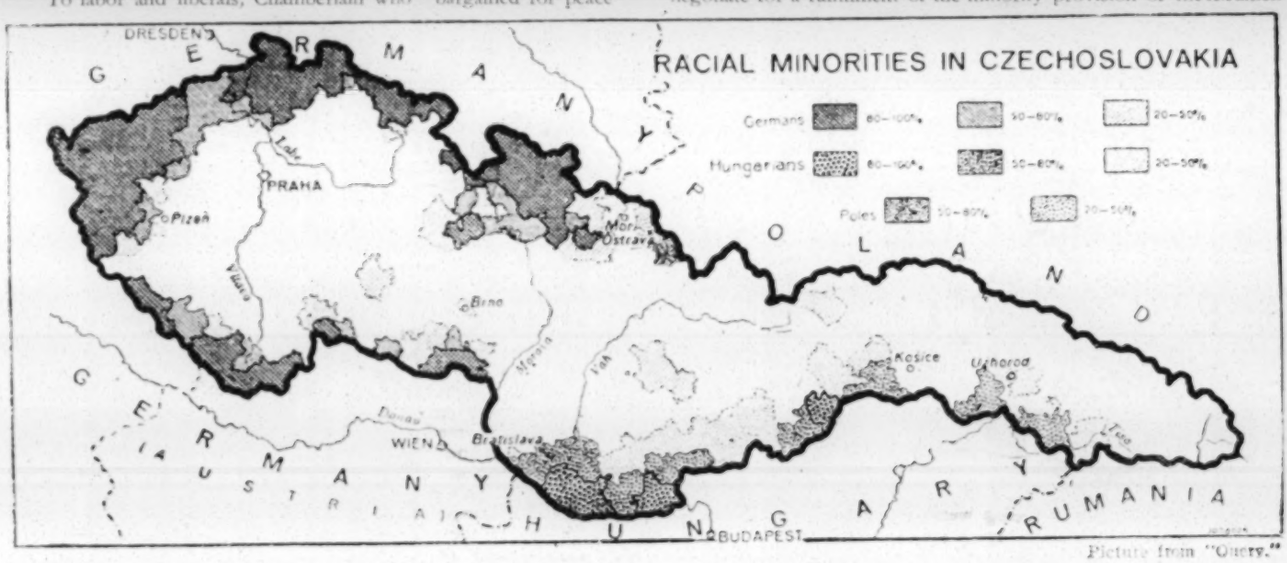
Poland Takes Teschen

Then, on October 2, Polish troops entered the Teschen district of Czechoslovakia, under the command of Marshal Smigly-Rydz who proclaimed:

"Soldiers, you are crossing today the Olza River which for 20 years played a humiliating role on the frontier. Today, this river has a new meaning and this by the strength and will of the Polish nation. You personify this will. Pay a tribute to those who without uniforms fought on the other side of the Olza, giving up their lives."

As soon as the order "Forward March!" from Marshal Smigly-Rydz was heard, General Malinowski, wearing on his cap the head band distinctive of a member of the Polish Diet crossed the bridge and was wildly acclaimed by the crowd massed on both sides of the former frontier.

But, Hungary marched no troops into Czechoslovakia to seize territory claimed by them. Instead, they announced the desire to negotiate for a fulfillment of the minority provision of the Munich Agreement, but they said they wanted prompt settlement of their "just claims."



Picture from "Ogonyok."

Meantime, the Czechs, shorn of territory asked of, and was granted a loan of £10,000,000 from Britain, to which some Londoners cheered, others dubbed it as "conscience money."

In England, Chamberlain and the Conservatives faced a bitter fight. Rising to batter the aged Prime Minister for "one of the greatest diplomatic defeats Great Britain and France have ever sustained," were the persons of the resigned First Lord of the Admiralty, Alfred Duff-Cooper, Anthony Eden, former Foreign Secretary, and Clement R. Attlee, Opposition leader.

To stem the flood of criticism, Chamberlain is reportedly planning to call a general election to prove Parliament is behind him. To this maneuver, opposition groups are not favorable. In the heat of considerable enthusian at the preservation of peace, they feel that Chamberlain has a good chance of receiving a vote of confidence.

THE NEW EXODUS IN CHINA

(Continued from page 175)

now drifting southward include many leading business men and technical experts. Although they lack the capital to do business on a large scale, they are doing their best to initiate plans for the economic development of the Southwest. Many technicians are working for the improvement of communication facilities, especially the construction of public roads. Attempts have been made to build up a net work of highways for the provinces of Szechuen, Kweichow, Yunnan, Kwangsi and Kwangtung. Many of these roads are already completed with Kweiyang, the capital of Kweichow, as a center. Automobiles and trucks have been ordered from foreign countries in great quantities. This system of public roads, for the present and immediate future, expedites the execution of China's war plan, and for years to come will serve as a basis for her national economic recovery.

Redistribution of Population

Socially this great exodus marks the redistribution of the Chinese population. The people of the Kiangsu and Chekiang provinces are noted for their attachment to the native soil. The land owners usually stay at home and do little or nothing save the collection of rentals. Their lives are, so to speak, rooted in the native soil from which they draw the nutrition for their existence. But now they are suddenly torn by the force of circumstance from the land in which they were born and bred. They are forced to blaze the trail in an unknown land, facing the alternatives of work or starvation. Not only these once rich property holders are compelled to migrate and work, but even many of those who have hitherto maintained a bare subsistence are drifting southward to seek their fortune in the new El Dorado.

Then, above all, many people of the intellectual class are thronging to the Southwest. Kindled by a desire to render war service, they go to such places as Chungking, Kweiyang, Kweilin and Kwunming. There is not the least doubt that they will raise the educational and cultural level of these interior cities. In recent years universities have been established in Kwangsi and Szechuen but their academic standing is generally lower than that of the universities in the northern and central provinces. Likewise, the middle and the elementary schools in the southwestern provinces as a rule have not come up to the standard as set by the Ministry of Education. Now that many leading educators and scholars have flocked to the interior, they will undoubtedly introduce salutary reforms to the schools and raise the intellectual tone of the Southwest.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Sept. 17.—Desperate battle continues between Chinese and Japanese troops for possession of Yaikou, strategic pass guarding Singtse-Tehan highway. Shanchia-shan, hill in Yaikou, said changed hands several times with the Chinese regaining control.
The Japanese claim capture of Wusueh, fortified Chinese defense position on north bank of Yang-tsze, 45 kilometers up-river from Kiukiang.
Six Japanese planes fly over Hankow, but drop no bombs.
Nine Japanese captured by Chinese mobile units when they attacked Hingtsi on Tientsin-Pukow Railway, about 80 kilometers south of Tientsin, on Sept. 14, according to **Domei** report.

Sept. 17.—Resignation of Dr. C. T. Wang as Ambassador to the United States accepted by National Government at Chungking; Dr. Hu Shih, well known philosopher, appointed his successor.

Sept. 17.—"Your day of delivery is near. Our troops and populace are fighting for your freedom, and you must rise as one man and participate actively in this war behind the Japanese lines."
This is the gist of a statement addressed to the Chinese in Manchuria issued by General Chiang Kai-shek on the eve of the seventh anniversary of the Mukden Incident.
Madame Chiang Kai-shek urges every woman and student to participate in the war, work done by young women and students behind lines lauded. She also visited hospitals for wounded soldiers and distributed presents.

Sept. 17.—Anti-Japanese War College established by Chinese guerilla force at Nantungchow, northern Kiangsu, according to Chinese report.

Sept. 17.—Chinese economic mission headed by K. P. Chen and Hsi Te-mou, prominent Chinese bankers, arrive at Washington reportedly on invitation of the U. S. Secretary of the Treasury, Henry Morgenthau, to discuss a loan to China. Chen and Hsi, accompanied by their secretaries, left Hongkong for Manila on Sept. 9 with their identities shrouded in greatest secrecy. From Manila, they boarded the Philippine Clipper for Honolulu, where they arrived on Sept. 12 and their identities and mission were first revealed. They reached San Francisco on Sept. 16 aboard the same Clipper.
The Chinese economic mission expected to begin talks shortly with officials of the U. S. Treasury and State Departments and to remain in Washington for several weeks.
K. P. Chen was the primary figure behind the silver purchase agreement between China and the United States.

⁂

Sept. 18.—Seventh anniversary of the Mukden Incident observed at Hankow, Chungking, Canton, Changsha and many other cities. National flags flown at half-mast by Chinese public organizations in Shanghai; police took precautions, but no incidents occurred.
Chinese papers at Hankow alleged huge force of volunteers operating in Manchuria to harrass the Japanese. There are at present 12 Army Corps of such volunteers with General Li Tu as Commander-in-Chief and Gen. Li Hua-ting Deputy Commander-in-Chief.

Sept. 18.—Fall of Shangchen in southeastern Honan to Japanese admitted in Hankow. Huangchuan (Kwangchow) in same sector, however, still remains in Chinese hands; Fierce fighting continues along Singtze-Tehan highway, with the Japanese pressing towards latter city.
Wusueh city entered by Japanese troops, **Domei** reported.
Pootoo, sacred Buddhist island, off Hangchow Bay, scene of battle between Chinese and Japanese forces on Sept. 15, according to Hankow report. Japanese marines landed on island under cover of naval bombardment.

Sept. 18.—Dr. Wellington Koo, chief Chinese delegate to the League of Nations, submitted several documents to League Secretariat, detailing that 20,000 civilians in Nanking were killed by the Japanese and 88 per cent of the buildings damaged; between Aug. 1937 and May 1938, Japanese planes made 2,204 raids on open towns in China, causing 10,000 deaths and 13,000 injuries.

⁂

Sept. 19.—Serious fighting continued in Huangchuan-Shangcheng sector in south-eastern Honan, where the Japanese advanced close to Peiping-Hankow Railway. Chinese authorities at Hankow confident that strong divisions defending the Railway based on Sinyang will repel Japanese attacks. Japanese advance towards the Railway south of Chengchow halted on east bank of Chialu river.
Heavy fighting also reported in all sectors on Yangtsze front, but the Japanese are making no appreciable progress.

Sept. 19.—The Stout Memorial Hospital of the American Southern Baptist Mission at Wuchow, Kwangsi, was almost completely destroyed during Japanese air raid over the institution on Sept. 18, according to report received by Baptist officials at Shanghai. The Japanese aerial bombardment was carried out by nine planes which scored five direct hits on the hospital.

Sept. 19.—Statements issued (Sept. 18) on seventh anniversary of the Mukden Incident by Wang Ching-wei, Chairman of Central Political Council, Dr. H. H. Kung, President of Executive Yuan, and Chinese public bodies in Shanghai. Betterment of people's livelihood, resistance to Japanese aggression and contributions to the Government's war chest urged.

⁂

Sept. 20.—Council of League of Nations complies with China's request for application of Article 17 of League Covenant; telegram sent to Japan inviting her to accept the League's jurisdiction in present Sino-Japanese dispute. Dr. Wellington Koo, Chief Chinese delegate, proposed the dispatch of a neutral commission to China to investigate the use of poison gas and airbombing of open cities. He also asked for (1) embargo on supply of planes and oil to Japan and (2) general conference on aerial and gas warfare.
Chinese circles in Hankow jubilant over League's decision to apply Article 17 of the Covenant.
Japan will reject the League invitation, according to **Reuter** report from Tokyo.

Sept. 20.—Tienchiacheng, on northern bank of Yangtsze, generally regarded as "key" to Hankow, now scene of bitter fighting between large forces of Chinese and Japanese troops. Due to its strategic importance and almost impregnable position, Tienchiacheng has witnessed many great battles in Chinese

行銀南中

The China & South Sea Bank, Limited

(Established 1921)

Head Office: 110 Hankow Road, Shanghai

Paid-up-Capital N.C.$7,500,000
Reserve Fund N.C.$2,750,000

●

BRANCHES AT:

Amoy, Canton, Chungking, Hangchow, Hankow, Hongkong, Nanking, Peiping, Soochow, Tientsin and Wusih.

Every description of Banking and Exchange Business Transacted.

Correspondents at all Principal Cities throughout China and the World.

SHANGHAI STEVEDORING CO., INC.

THE BEST PACKING AND THE SUREST TRANSPORTATION IN THE ORIENT

51 CANTON ROAD . . . . . TELEPHONE 11455

history. One of the severest engagements in Sino-Japanese war expected to be fought at Tienchiacheng, as the Chinese have erected elaborate defence works there.
The Japanese penetrated Huangchuan (Kwangchow) in east Honan, where street fighting proceeding inside the city.
Two more disabled Japanese warships towed into Shanghai harbor for repairs from upper Yangtsze points. Damaged vessels seen by shipping men in Shanghai on Sept. 19.

Sept. 20.—Two Japanese planes shot down on Kwangtung-Kwangsi border; two Japanese aviators captured. Over 50 bombs were dropped on Nanning, Kwangsi capital, by Japanese raiding machines; casualties believed heavy. Kwangsi University at Wuchow also bombed.

Sept. 20.—Chinese Embassy at Berlin protests to German Foreign Office against speech by Dr. Joseph Goebbels, Reich Minister of Propaganda, at recent Nuremberg Congress, in which he referred to the opening of Yellow River dykes as, "these crimes are much more inhumane than Japanese air-bombings."

Sept. 20.—More than 5,000 Chinese nationals in Siam arrested by the Siamese authorities on Sept. 11, according to report received at Canton. Foreign Office at Chungking protested with the Siamese Government and demanded immediate and unconditional release.

Sept. 20.—Kwangtung Women's Anti-Japanese Association formed at Canton (Sept. 19). Madame Sun Yat-sen attended inaugural ceremony.

***

Sept. 21.—After desperate battle lasting six days and nights in hills northwest and northeast of Tienchiacheng, "key" city to Hankow, the Chinese finally repulsed the Japanese forces attacking the strategic Yangtsze fort, according to urgent dispatch received at Hankow from the front. The Japanese reported retreating northward, leaving some 600 dead on the field. Chinese communique states that the Japanese suffered over 3,000 casualties, including 1,000 dead on the field, during past six days and nights. Japanese aircraft heavily bomb Chinese positions north of Tienchiacheng, more than 200 bombs dropped.
Severe fighting also progressing on south bank of Yangtsze, and in East Honan.

Sept. 21.—Japanese Government rejects invitation of League of Nations to accept obligations of membership for settlement of Sino-Japanese dispute under Article 17 of the Covenant.

Sept. 21.—Zao Sih-foong, pro-Japanese terrorist, confessed at First Special District Court in Shanghai to attempted murder of a local Chinese school teacher as well as to the bombings of **Morning Leader** (British-registered Chinese paper) and also bombing of Joint Savings Society.

Sept. 21.—Joint memorial services held at Chinese Y.M.C.A. in Shanghai in honor of Hsu Sing-loh and Hu Pi-kiang, prominent Chinese bankers, who were killed on Aug. 24, when the C.N.A.C. passenger plane "Kwei Lin" was shot down by the Japanese.

Sept. 21.—Chen Chieh, new Chinese Ambassador to Germany, arrived at Berlin.

Sept. 21.—Peiping Post Office appointed 23 Japanese to responsible posts, according to Japanese report.

Sept. 21.—**Hsin Hua Jih Pao**, Communist daily in Hankow, reports that military college for guerillas established somewhere in mountain fastnesses of Hopei, Chahar and Chahar provinces. Existence of the school known to the Japanese, but they are powerless to abolish it, although located in territory supposedly under their occupation.

Sept. 21.—For first time in history, Japanese planes flew over Kweichow province via Kwangsi. After reaching Hsinyi, the planes turned back without dropping any bombs.
Sun Fo, President of Legislative Yuan, arrived at Kweiyang, capital of Kweichow, from Szechuan.

***

Sept. 22.—Dr. Wellington Koo, chief Chinese delegate to League of Nations, speaking before the Disarmament Committee, declared that purely objective resolution on anti-bombing of civilians was useless. Rules should be formulated with reference to concrete facts before them.

Sept. 22.—Gen. K. Ugaki, Japanese Foreign Minister, cabled the Secretariat of the League of Nations, declining the Council's invitation based on Article 17 of the Covenant.

Sept. 22.—"Joint Commission" formed at Peiping to prepare for amalgamation of Peiping "Provisional Government" and Nanking "Reformed Government." Organization of new organ said outcome of recent Dairen Conference summoned by Gen. Doihara, Japan's "state spy" and head of Japanese Army's Special Service Department. New organ regarded instrument of Japanese War Office.

Sept. 22.—Japanese troops operating in southeast Honan claim to have advanced to within 50 kilometers east of Sinyang, strategic station on Peiping-Hankow Railway.

Sept. 23.—Fierce fighting continued east of Loshan, 40 miles east of Sinyang; Japanese attack said repulsed.
Furious battle continued in Tienchiacheng sector

BAKERITE 沙利文

BREAD—BISCUITS

CHOCOLATES—CANDIES

Always Dependable

"A food product is only as good as the care it receives."

1. Only highest quality ingredients used.
2. Modern machinery and equipment.
3. Factory under complete supervision of qualified, capable foreign bakers and candy makers.

BAKERITE CO.

Federal Inc., U.S.A.

221 Nanking Road

883 Bubbling Well Road

on northern bank of Yangtsze river, in southeastern Hupeh. Japanese warships at Wusueh, 13 miles east of Tienchiacheng, are clearing up mines on Yangtsze river in order to effect joint attack on Tienchiacheng.

Sept. 23.—Gunfire audible in Sinyang, as the Japanese pressing toward Peiping-Hankow Railway. Three-quarters of population of Sinyang have evacuated. Catholic Mission Compound bombed on Sept. 12; five refugees killed.

Sept. 23.—Hachiro Arita, former Japanese Ambassador to China and Foreign Minister, to tour China in connection with projected amalgamation of Peiping and Nanking puppet regimes.

Sept. 23.—Soochow Telephone Company taken over and operated by Central China Telephone Communications Company recently formed by Japanese.

Sept. 23.—China had favorable trade balance during August amounting to $3,093,557, according to figures released by Chinese Maritime Customs.

Americans Seek Strenghtening of Association Here

Members of the newly-formed American Association, in cooperation the American Junior Chamber of Commerce, this week began a membership drive, with the objective of bringing as many Americans as possible into the association in order to extend the scope of its activities. The association replaces the former American Community organization.

Association plans, while not entirely completed, may eventually embody a project to give American interests direct representation at Washington through the creation of an agency there. This will probably be staffed by a full-time representative and the necessary secretaries who will probably work with the assistance of an advisory committee.

It is understood that this representative of American interests in Shanghai will have no official status at the national capital, but will be able to assist in bringing questions pertaining to the welfare of Americans in Shanghai directly to the attention of the responsible authorities there. This will in no way interfere with the United States Government authorities in Shanghai, it is believed, and it will undoubtedly be a policy of the association to keep them thoroughly informed with regard to all action which is taken.

One important feature of the new American Association is the creation of a General Relations Committee to promote the welfare of all Americans in Shanghai. It is understood that objectives of this committee will be similar to those outlined recently in a message sent by the American Chamber of Commerce to Washington. The restoration of the Hongkew area was discussed in this memorandum, as was the restoration of transportation facilities in the Yangtsze valley.

Another point which was raised in the message sent by the chamber requested that steps be taken to abolish all monopolies created in contravention of the Nine Power Treaty and the Open Door Policy of the United States. The restoration of American properties to their rightful owners was likewise brought to the fore and the censorship of mails, telegrams, cable messages and radio programs was given prominence.

The question of resuming dredging operations at this port was also brought to the attention of the officials in Washington. The message concluded with the request that steps be taken to support all practical measures to limit the scope of the hostilities especially with regard to their disastrous effects on the civilian population of this country. It is hoped that the establishment of a representative in Washington will help in bringing these points to the attention of the Government, and, in addition, such a representative might from time to time be asked to seek press publicity for certain problems.

Aside from this important new innovation, the American Association will carry out all the responsibilities which formerly fell to the lot of the American Community organization. The new association will include an American School Committee to secure funds to support the school and keep it at the highest possible standard. Other important work will be carried out by the Civilian Relief Committee whose duty it will be to bring relief to needy Americans, helping them in transportation expenses back to the United States, in the education of their children, in hospitalization and in funeral expenses.

There will also be an Entertainment Committee, a Thanksgiving Day Committee, a Committee on Municipal Elections and others as occasion demands.

The General Committee of the American Association includes the following:—

R. T. McDonnell, President; Bishop W. P. Roberts, Vice-President; W. A. Adams, Hon. Secretary; E. G. Zacharias, Hon. Treasurer; and Messrs. N. F. Allman, P. M. Anderson, A. Bassett, R. E. Burnes Mrs. A. C. Cornish, C. S. Franklin, A. B. Henningsen, Mrs. I. E. G. Hunter, Wilber Judd, J. A. Judd, J. A. Mackay, Dr. J. C. McCracken, G. M. Neal, C. W. Pettit, J. S. Potter, Col. C. F. B. Price, W. H. Putman, D. C. Reib, Ex-Officio: C. E. Gauss, Consul-General; Milton J. Helmick, Judge U.S. Court for China; Julean Arnold, Commercial Attache; W. H. Plant, President, American Chamber of Commerce.

Shanghai's Largest Department Store
Offering Dependable Merchandise

In Addition to the Department Store, this Company also Operates a Roof Garden, Hotel and Restaurant, Banking Department, Ballroom and Skating Rink.

THE WING ON CO., (CHINA), LTD.

NANKING ROAD, SHANGHAI TELEPHONE No. 95656

Movement to Aid Homeless Children Growing

MOVEMENT to provide means to remove Shanghai's homeless children from the streets gained momentum this week as a group of interested persons met to discuss the problem of providing "uplift" for thousands of waifs whose hunger is forcing many into crime. Everyone agreed that something should be done, but none were able to surmount the hurdle raised by lack of funds. Two weeks ago, the *China Weekly Review* radio commentator asked Shanghai to help, suggested that someone offer an empty building to house the children and to offer a means by which schooling could be given them. Response to this suggestion netted, figuratively, a round goose-egg.

Some hope for alleviating the serious situation was found in a letter written to the *China Weekly Review* (see What People are Saying, Page 165) by Dr. John Earl Baker, recently resigned director of the Shanghai International Red Cross, and executive Secretary of the China International Famine Relief Commission. Dr. Baker suggested the establishment of a large camp in the open districts of the city's west end, and the removal thereto of the 12,000 refugees now living in vacant stores and other buildings in the central district. He noted that a start in this direction was made this week with the opening of three new camps on Yenping Road and the transfer to them of about 6,000 refugees. Dr. Baker also remarked that a large portion of children now begging on the streets come from camps.

According to a Municipal Council report this week, there are 109 camps under inspection by them, in which are housed 60,084 refugees.

Dr. Baker to Visit Southwest

After nearly a year of service as the director of the Shanghai International Red Cross, Dr. Baker tendered his resignation to make a investigation tour of Yunnan, Szechuen, Kweichow, Hunan, Kiangsi and Kwangtsi for the China International Famine Relief Commission.

Dr. Baker was to sail for Hongkong on Oct. 8, and there will make arrangements to proceed to Yunnan at the request of the American Advisory Committee of his organization. He will tour the interior for approximately two months, traveling largely by bus, and expects to return to Shanghai to make his report some time in December. He will then remain in Shanghai for approximately another year, after which he will leave for New York and home, winding up a brilliant 22-year record of relief work in China.

There have already been many requests made to New York from various relief organizations in the interior, Dr. Baker pointed out, and it will be his work to investigate such petitions.

In Shanghai, the work of the Shanghai International Red Cross is to be taken over by a centralized organization to be known as the Shanghai Refugee Relief Committee, which is being promoted by Mr. Yu Ya-ching, well-known shipping magnate.

During the nine months of Shanghai International Red Cross activity here, the organization has fed a refugee population, which at the beginning numbered more than 130,000, at a cost of less than $2 per capita per month, taking the nine-month period of activity as a whole. It has also distributed nearly 600,000 garments, many of which were new, at an average cost of less than 10 cents per item. The Shanghai International Red Cross has in addition assisted in the improvement of housing and sanitary conditions.

Relief Funds Dwindle

With donations received by local refugee relief organizations rapidly dwindling, various bodies have decided to send away from Shanghai as many refugees as possible, Chinese reports said this week. A leading relief organization received only about $30,000 last month, which was far from sufficient to feed the large number of refugees cared for by the organization, it was said. In the meantime strenuous efforts will be made to raise funds so as to enable the relief bodies to continue their charity work.

No more refugees will be admitted to the various camps established by the Federation of Charity Organizations this month until further notice, it was reported this week. The decision was reached by the federation to save the limited sum of money to feed the more than 30,000 refugees already admitted. Nearly all of the refugees now accommodated at the Federation's camps are totally destitute and the federation is compelled to care for them until they are able to earn a livelihood or are sent away from Shanghai.

New System of Child Welfare

That Szechuen Province in western China does not lack its kind-hearted people, was soon seen upon the arrival of one batch after another of poor war-stricken children from various parts of the country. These people have voluntarily communicated with the Chungking branch of the Refugee Children's Relief Association

NAVY YMCA

THE
NAVY Y.M.C.A.
RESTAURANT

336 Szechuen Road Telephone 19101

SERVES
REGULAR MEALS
and
SHORT ORDERS
also
on WEEKLY or MONTHLY TERMS

OPEN from 6 a.m. to 12 p.m.

The Trans-Siberian Route...

IS THE QUICKEST,
CHEAPEST,
AND SAFEST

Route Between the Far East and Europe. So why Spend More Money and Time?

Apply to

Union Steamship Agency

51 Canton Road, Robert Dollar Building

Telephone 11706 - - - Shanghai

wanting to assist in the humanitarian task. Large number of the "worphans" have been entrusted to their care, as child welfare centers already established by the Association cannot cope with children following on the heels of the original 5,000.

This has given rise to what is known as the proxy system in child welfare. This system started in Chungking and has spread far and wide. In Chungking, a nursery run by the National Refugee Relief Committee is caring for 200 war waifs from Hankow. The municipal schools have become the guardians of many other children from the war areas. In Hochuan, a small city about three days' travel by boat from Chungking, are a kind hearted couple, Dr. and Mrs. Chow Chiang-chien, Dr. Chow being the superintendent of the Fifth Military Hospital there. They are now attending to 100 little ones who are suffering from all sorts of infectious ailments contracted on their long pilgrimage.

The proxy system also has a side of international goodwill. A certain Miss Mary, American missionary in Junghsien, a city more than one hundred miles from Chungking, is mothering 30 little waife placed under her care by the Association upon her own request. In most cases, however, the children entrusted to the care of those kind-hearted people are being financed by the Association at $5 per head per month.

Then there is the system of apprenticeship which has also been started in Chungking. Now thirty lads who had been graduated from primary schools have been sent to the China Radio Supplies Company as apprentices to learn a trade. Arrangements are proceeding with other industrial concerns in Chungking for the same purpose. Numerous pledges for the support of "worhpans" have been made by Chungking's rich. The former mayor of Chungking, Mr. Li Ken-ku set the example by offering to support twenty at $100 per month for an indefinite period. A well-known local banker, Mr. Kang Hsing-chih, will play foster-father to 40 of the children.

Former Premier of China Murdered Here

More than 10 suspects were rounded up by French police this week in a series of raids in connection with the assassination of Mr. Tang Shao-yi, 78-year-old former premier of China, who succumbed to a wounds here September 30 after he was attacked at his home by one of four men who gained entrance under the guise of presenting him with presents.

Acting on the clue found on the visiting card bearing the name of "Hsia Chi-pih," used by one of the assassins, police raided a hotel in Frenchtown and arrested several persons there. Raids also were conducted at a number of other hotels and Chinese dwellings where more were taken into custody. "Mr. Hsia," however, was not among those arrested.

Among the arrested were friends and relatives of the "wanted" man. Police are continuing their investigations, which are understood to be still in the preliminary stages. French police are to offer a reward of $3,500 for information leading to the arrest of the assassins.

It is generally believed that a political motive was behind the murder. His death coincided with rumors that he was to become the head of a new government representing the amalgamation of the "Provisional Government" in Peiping and the "Reformd Government" in Nanking. Circles close to Mr. Tang, however emphatically denied these rumors, claiming that he had only recently rejected an offer from the "Provisional Government."

Mr. Tang is survived by Mrs. Tang, two concubines and many children, including Mr. Tang Liu, formerly Chinese consul-general at Singapore and for a time director of the Shanghai office of the Foreign Ministry. His eldest daughter was the wife of Dr. Wellington V. K. Koo, Chinese ambassador at Paris, but she died many years ago.

Business Man Murdered

Mr. Siau Tsze-ming, 62, an executive of the International Dispensary, also was shot down by an assassin gang this week. No definite motive for the slaying has been established but detectives in charge of the case are investigating the theory that he may have been the victim of a political assassination.

While Mr. Siau had no open political connections with either the pro-Japanese or Chinese factions, the police are conducting their inquiry with the idea that he may have been involved in secret political affairs with either side. The revenge theory is not being overlooked and officials and employees of the International Dispensary as well as the man's relatives are being questioned with the idea of turning up possible enemies.

Find Indian Woman's Body

After having been reported missing a week, the body of a 20-year-old Indian woman, Charu Kaur, wife of the watchman employed at the Hungjao Road telephone exchange, was discovered lying in a creek of Hungjao Road on Sept. 29. The body of the woman was found by her husband, who immediately reported the matter to the Shanghai Municipal Police. When found the unfortunate woman's body was trussed up in a sack. Her hands and feet were bound with pieces of rope and a small face towel was tied around her head.

WHEN YOU ARE IN NEED OF
SEASONAL FABRICS
REMEMBER
LAOU KAI FOOK SILK CO.
TELEPHONE 13348
257 NANKING ROAD
For a choice of
Fine and Fashionable
Materials . . .
WOOL
SILK
VELVET
at reasonable prices

AMERICA IN THE ORIENT

(Continued from page 179)

Soochow, Nanking, Wuchang, and Peking, and in numerous lesser known centers. The first modern medical training for Chinese was begun in the hospitals conducted by American and English missionaries. The most important American missionary medical instruction today is found in the medical schools of St. John's, Cheeloo and West China Union universities.

American missionaries did not take the first step toward alleviating the lot of the blind of the nation, but they did start the first school for the deaf, at Tengchow, Shantung, in 1887. They were very outspoken in their opposition to the cruel practice of foot binding, and not only attempted to cure people of the deplorable habit of opium smoking but sought governmental prohibition of use of the drug.

No account of Chinese-American cultural relations would be complete without mention of the Young Men's Christian Association and the Young Women's Christian Association. These organizations were the pioneers in the introduction of physical training for body-building and recreation, and sponsored group programs for religious, educational and social activities. Two members of the Y.M.C.A. staff achieved national reputation, C. H. Robertson with his illustrated lectures on Western science, and Dr. W. W. Peter, whose lectures on public health education lead to a nation wide organization and program for promoting such knowledge.

Many Notables Included

Other cultural contacts include the cooperation of several American universities with universities in China, and the large numbers of Chinese students, trained in mission schools in China, who have continued their education in the United States. Many leaders of the nation have received such training, notably Dr. H. H. Kung, Dr. C. T. Wang, Dr. T. V. Soong, Mr. Sun Fo, Dr. Wang Chung-hui, Dr. W. W. Yen, Dr. Alfred Sze, Dr. Wellington Koo, Madames Sun Yat-sen, Kung and Chiang Kai-shek. They can all look back to Yung Wing, first Chinese to be graduated from an American university (Yale, 1854) who, remembering the education made possible for him by American missionaries, headed the first groups of Chinese students sent abroad, between 1872 and 1875.

Likewise, a new era in medical education in China was entered with the coming of the Rockefeller Foundation in 1914. The China Medical Board, Christian but not missionary, was formed, which proposed to found two or more medical schools, to assist in pre-medical education in existing missionary schools, and provide scholarship for medical study abroad. The Board took over the Union Medical College in Peking, created the Peking Union Medical College, for which was erected a magnificent group of buildings, the equal of anything in the West and far superior to anything China has ever known. Assistance was given to Hunan-Yale Medical School in Changsha, St. John's-Pennsylvania Medical School, to a number of hospitals, pre-medical departments of Christian colleges. Many grants have been given for study abroad.

Still another non-missionary relationship was the formation in 1925 of the China Foundation for the Promotion of Education and Culture, entrusted with the custody and control of the remainder of the American share of the Boxer Indemnity Fund, which had been remitted by the United States government. The funds are to be "devoted to the development of scientific knowledge and to the application of such knowledge to the conditions of China through the promotion of technical training, of scientific research, experimentation, and demonstration, and training in science teaching, and to the advancement of cultural enterprise of a permanent character such as libraries and the like."

Catholic Contributions

All previous mention of American missionary and educational endeavor in China has been of Protestant activity. The United States was considered as a missionary district by the Pope until 1908, and it was not until after 1914 that American Roman Catholic missions assumed any importance in China. Since 1914 American Catholics have been giving more than a million dollars a year to foreign missions. Many American orders and societies are now represented in almost every part of China. Maryknollers, St. Columbans, Benedictines, Jesuits and Lazarists have given especially noteworthy service in China. The most spectacular of all Roman Catholic developments was the establishing, by American Benedictines, of Peking Catholic University (Fu Jen), which opened its doors to students in 1925. Gonzaga College, a middle school, was started by American Jesuits in Shanghai in 1931 and is fast gaining a reputation for providing excellent teaching and maintaining excellent discipline and insisting of high scholastic standards.

No attention has been given in this brief sketch of Chinese-American relations to the difficulties which American missionary and educational institutions have encountered because of the present war in China. The way in which missionaries have met the situation has impressed the Chinese more than ever with the primary motive behind all missionary work—unselfishness.

Such in brief have been some of the contacts between China and the United States since the Empress of China arrived in Canton in 1784. These relationships, on the whole, have been for the good, and are bound together by ties of mutual interest and good will. It may be said that the missionary enterprise, with its primary function of bringing Chinese into contact with the West, will have had more than a small part in the final Chinese adjustment of their culture to the new age in which they are living.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES. . . .

In CHINA file your messages "RCA"

(R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Service)

HEAD OFFICE FOR CHINA:— TEL. NO.
201-202 Sassoon House, Shanghai 19251

AGENCIES:—

Tientsin:	65 Consular Road	Tel.: 31430
Hankow:	San Peh Building	Tel.: 21774
Hongkong:	Dina House	Tel.: 30692

MARFAK

Specialized Lubrication

at

Texaco Service Stations

and

Authorized Dealers

TEXACO R. T. M.

The Texas Company (China) Ltd.

Currency Plot, and Ikeda's War Finance Explanation

THE Japanese version of the arrest of 17 Russians, four Chinese, two Englishmen, two Japanese, an American and a Pole in Nippon for illegal exchange activity was received in Shanghai this week. More than 200 foreigners and Japanese are said to be involved in this plot to "disturb national finances" by smuggling foreign currency, gold and jewelry out of the country for conversion into yen in China at a large profit. Nearly Yen 1,000,000 are said to have been amassed by the group.

Investigation started on August 12, when police raided the home of Mr. Paul Kraslavsky, manager of the Union Trading Company in Kobe. From a concealed room under the floor of the house they seized 21,800 yen in Japanese banknotes and numerous documents. Mr. Joseph Bitker, a Pole, and another one of the arrested men, have been trading in Japan for more than 10 years. He was also connected with the Union Trading Company, which ostensibly imported watches and exported silk.

When on August 22 police raided the home of Mr. Kraslavsky, Japanese press reports alleged, he leisurely invited the officers to his parlor and served tea and cakes. He smoothly answered all questions and opened his safe for them. It was as bare as the traditional cupboard of Mother Hubbard. "You may search all you want, gentlemen," Kraslavsky invited smilingly, "but you will find nothing."

The police, however, opened a cabinet and there saw a manhole. It was the entrance to an underground chamber. There, the reports said, the police found various documents and codes. In a huge trunk were Japanese 20-yen gold coins and several thousand watches, platinum ingots, and other valuables. A sheaf of Japanese banknotes, all 100-yen bills, amounting to Yen 21,800, was also found. The next day the Union Trading Company was raided. There police found Yen 15,000 in Japanese currency and U.S. $1,000, in addition to numerous documents.

The group assertedly made huge profits by buying Japanese yen in Shanghai at approximately Yen 5.80 for U.S. $1, bringing these yen to Japan, and there buying United States currency at the official rate of Yen 3.50 per U.S. $1. They extended their scope and employed many subordinates, it is alleged. By this process they made a profit estimated at Yen 700,000.

On being examined by the authorities, it is further alleged, Mr. Bitker said, "It was my intention to make as much profit as possible before a world war "would start, and then go to the United States. The business we have been doing is only a sort of warming up. I would have made tens of millions in the next few months if you gentlemen had not found me out."

Meantime, in Tokyo, the *Japan Times*, declaring that a linking of the yen to the U.S. dollar would react unfavorably against Japan's export trade, the English-language daily said they opposed the suggestion which is being advanced in Tokyo's financial circles. Discussing the currency question in an editorial capitoned "Weakness of the Sterling and the Yen," the paper argued that two-thirds of Japan's export trade was being carried on with countries in the sterling bloc. It admitted, however, that importers would gain by a dollar-yen link.

The proposition of tying-up the yen to the U. S. dollar, the *Japan Times* stated, was "out of the question" unless transactions in London become impossible or the steriling rates fluctuate so violently and with such frequency that it would become impossible to carry on international trade on the bases of British currency.

Ikeda Talks Things Over

One day last week, Japan's Minister of Finance and Minister of Commerce and Industry, Seihin Ikeda, had a heart-to-heart talk on the prevailing situation between the government and the House of Peers concerning government finance and economy. For the second time Mr. Ikeda explained the government's policies.

At the outset Mr. Ikeda said that due to the courageous endeavors of the Imperial forces in China the war situation has been developing most advantageously to Japan, but as the Chiang Kai-shek regime will continue its resistance against Japan even after the fall of Hankow, Japan has to endeavor with added determination and perseverance for the attainment of the objective to secure the peace of the Orient.

With this preface, Mr. Ikeda stated:

1. As the balancing of the international accounts is the most important fundamental of finance and economy, the government is endeavoring in this direction by promoting exports and improving trade.

2. In order to secure huge amounts of commodities necessary for the enforcement of war, the government has been resorting to all available measures including not only the development of resources and increase of productivity but also collection and utilization of goods and renovation of the life of the people. Thus the problem has been attacked both on the positive and passive sides.

3. In order to prevent any hitch to the supply of necessary commodities gold has to be shipped abroad and export trade has to be expanded. For this purpose the Government is endeavoring to encourage increased production of gold.

4. As a means of expanding export trade the Government

CALDER MARSHALL & CO., LTD.

finds it necessary to facilitate financing. For this purpose the Government has taken two steps. One of these was the establishment of the foreign exchange fund and the other was the export fund advance and compensation system.

5. For carrying on modern war sufficient munitions and other commodities in huge quantities are necessary, and the Government has carried out the control of the commodities, and as for the major commodities, the Government has enforced the restriction of use for the general public.

6. At the same time the government is endeavoring to promote the substitute article industry, and though it is a passive measure, is collecting waste goods and using them to full advantage.

7. As an adjustment of the prices is necessary for the stabilization of the life of the people, the Government has established the Central Price Adjustment Commission and is endeavoring to adjust the prices.

8. As regards national bonds, the Government has issued a huge amount of bonds since the outbreak of the China Incident and yet the bonds have been absorbed smoothly. Especially those issued between January and August have been assimilated in entirety, which must be considered an extremely favorable result.

9. For the consumption of these huge amounts of bonds and for the fund to expand the industrial productivity the saving of capital is necessary. The Government, therefore, has established the people's savings encouragement bureau and carried out a nation-wide movement for encouraging savings. The effects have been quite marked with the result that during the first half of this year there was some Yen 3,600,000,000 increase of savings, of which deposits in banks shared a little less than Yen 1,700,000,000 and the postal savings amounted to a little less than Yen 500,000,000.

10. The government itself endeavored to economize its expenditures. The current fiscal year's working budget has carried out economy or postponement of items to the extent of Yen 250,000,000. In compiling the 1939 fiscal year budget the fulfilment of the requirements of war is made the first objective, thus leaving no stones unturned for meeting the demand of the fighting services in full. At the same time the government intends to endeavor to make behind-the-gun measures as complete as possible.

11. Tax revenue under the China Incident has been extremely smooth. This reflects the people's understanding and co-operation in matters pertaining to finance under the China Incident, which is quite reassuring.

12. As for the problems of unemployment and employment shifting measures, the distribution of commodities and the control of consumption have been strengthened and as the supply of materials has been restricted, peacetime industries have been suspended, reduced or abolished in many cases. The government will not only endeavor to prevent as many victims as possible but also intends to take full measures for some helpless cases.

13. In regard to the enforcement of the foregoing policies there is a considerable friction in various quarters but the people in general quite understand what the government intends to carry out and are showing their intention of co-operating in the policies of the government at the expanse of their hardship. This is quite reassuring and for this I am thankful to the people.

Basid Agreement Of Views Reached Between Peruvians, Japanese

Agreement was reached in Tokyo Sept. 17 between members of the Peruvian Trade Mission and Japanese business leaders on four points designed to promote better relations between their respective countries.

These were:

1. Inauguration of direct radi-telephone and wireless services.
2. Organization of a Japan-Peru Society
3. Conclusion of a commercial treaty
4. Co-operation between the Japanese and Peruvian Chambers of Commerce for the exchange of trade information and the establishment of a joint organ for the settlement of trade disputes.

A Japanese proposal for the modification of Peruvian restrictions on the imports of Japanese cotton piece goods was left for discussion between members of the mission and Japanese textile industry leaders in Osaka later.

Japanese proposals concerning a reduction of Peruvian tariffs on Japanese goods and co-operative use of capital and technical experts for the development of various industries in Peru were discussed at the second Peruvian-Japanese trade conference. The Peruvian proposals dealt with the maintenance of amicable relations between Japanese and Peruvian banks, Japanese shipping companies' co-operation with Peruvian firms, importation into Japan or Peruvian raw cotton and sugar, and exchange of printed matter on scientific, cultural and economic problems for the advancement of know about both countries culture and commerce.

THE NATIONAL CITY BANK OF NEW YORK

ESTABLISHED 1812

Savings Accounts

$10 (National Currency) will open a savings account with interest at

3½%

per annum

The National City Bank of New York

SHANGHAI BRANCH

41 KIUKIANG ROAD

THE CHASE BANK

SHANGHAI

Corner of Nanking Road and Szechuen Road

Head Office :

NEW YORK CITY

Hongkong Branch : 15 Queen's Road, Central

Tientsin Branch : 80 Victoria Road

Paris Mid-Town Office : 41 Rue Cambon

Paris Up-Town Office : 29 Avenue George V

Affiliated with

THE CHASE NATIONAL BANK

of the city of NEW YORK

Capital and Surplus - - U.S. $200,540,000.00

Branches :

LONDON - CRISTOBAL - PANAMA - SAN JUAN

HAVANA - COLON

CHINA AND JAPAN—AFTER A YEAR OF WAR

(Continued from page 188)

principles and had made it clear that they would not make any sacrifice to maintain them. Though China's resistance to Japan thus placed them in an unfavorable light, they could not withhold admiration from China for daring to do what they shrank from doing themselves. In a word, the world generally is even more sympathetic now with China than when the war started, and that Italy and, of late, Germany have become less cordial is accepted as a loss which has its own compensation.

Economic Prospects

By June, 1937, Japan had made herself a very formidable competitor of the industrial nations. The balance of trade had been for years heavily against her, but this was compensated for to some extent by invisible exports, particularly shipping receipts. (The large excess of imports in 1937 was mainly due to preparaton for the war with China which the Japanese militarists had determined upon.) Japanese goods had found new outlets in each hemisphere and her factories were kept working at high pressure. Though her national debt was heavy for a country with such limited resources, her financial position was not alarming.

China at that time, though her long range economic prospects were good, had currency troubles and had been compelled to make special arrangements regarding the service and amortization of her domestic loans. But the future looked hopeful, as the authority of the Central Government was extending over more and more of the country. Development plans were in hand from which far-reaching national benefit was expected.

At the end of twelve months of war, Japan's economic prospects had become gloomy. Her national debt had practically doubled and the daily expenditure for the maintenance of her huge armies in China was steadily increasing. The reserve war material which she had accumulated for a war with Soviet Russia had been heavily drawn upon. Her export trade—her real lifeline—was ceasing to provide her with foreign exchange and she had been compelled to export approximately half her scanty gold reserve. If she continues to export gold at the present rate she will have little left at the end of another year.

Desperate, but confused, efforts to increase exports while restricting the importation of the very raw materials upon which the export trade relied, have naturally proved unavailing. The methods adopted to curtail imports and regulate internal trade have been constantly changed and determined evasion of government regulations has led to numerous arrests of prominent industrialists. The "spiritual mobilization" of which so much was heard at one time has been an abject failure.

The nation has proved unable to assimilate the gigantic mission of "deficit bonds" and they have had mainly to be taken up by the Bank of Japan. The bank was compelled to obtain power to issue more banknotes which now have a backing of less than 25 per cent. Thus inflation has been resorted to with the inevitable consequence of a rise in the cost of living. Though an economic breakdown in Japan may be deferred, it is inevitable if the war continues.

China naturally has suffered severely, economically as in other ways. But her very backwardness, from an industrial viewpoint, has saved her from the dire consequences that have overtaken Japan. Not having to depend on her external trade, she has been able to regard with comparative equanimity Japan gaining control of most of her seaports. Her reserves of foreign exchange abroad are still considerable and are being strengthened to an amazing extent by the remittances from Chinese communities oversea. While her expenditure is inevitably heavy, China is spending less than an eighth of what Japan is expending over the war. There seems to be no prospect of an economic breakdown in China however long the war continues.

The Second Year

To sum up impartially is not an easy matter, but the writer thinks that he is not likely to be contradicted if he states that Japan has begun the second year of war with impaired prospects. Her military machine is no longer regarded by China, or any other nation, as invincible. Her General Staff has been outwitted time after time and its schedule was disarranged from the outset. Serious tension between Japan and several nations with which she was on friendly terms in 1937 prevails and is increasing. Financially Japan is in serious straits, and the only countries with which she enjoys good relations are incapable of giving her assistance. China's credit abroad after a year of war had not sunk nearly so much as that of Japan.

China furthermore has become more unified than at any time since the establishment of the Republic. The Chinese people know that they are fighting in defense of their hearths and homes, with the openly expressed sympathy of every liberty-loving nation. The troops have learned that the Japanese army can be and has been defeated. The Chinese realize that, with their practically inexhaustible man-power and unquenchable national spirit, time is fighting for them. While they have undoubtedly been disappointed because the material support which they originally expected—and to which they were entitled—has not been forthcoming, they are now confident that they can unaided remove for all time the menacing shadow that has for so long hung over the Far East. And it may be that they are now secretly glad that they will not be called upon to pay the debt of gratitude for material aid which from past experience they know might take a form unfavorable to China's aspiration to regain full and uncircumscribed sovereignty.

The

CENTRAL BANK OF CHINA

A BANKERS' BANK

SHANGHAI OFFICE:

15 The Bund, Shanghai

Telephone 12570 Cables: "Governbank"

BRANCHES:

NANKING	*Chuhsien*	Swatow	NANCHANG	Lanchow
Hsuchow	AMOY	TIENTSIN	*Chi-en*	Kweiyang
Panpu	Foochow	Peiping	*Fuchow*	CHUNGKING
Sinpu	*Chuenchow*	*Shihkaichuan*	Kiukiang	Chengtu
Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ou*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

NOW ON DEMONSTRATION
AT LEADING RADIO DEALERS

RCA

RCA VICTOR CO., OF CHINA
SHANGHAI

THE CHINA BRASS & IRON WORKS, LIMITED

(Incorporated under the Hongkong Companies' Ordinances)

Office : 484 Kiangse Road Telephone 15577
Works : 175 Yenshan Road Telephone 50921

●

THE PRESENT HIGH COST OF

COAL

may be offset by the installation of Mechanical Stokers, a saving of 20% to 25% on fuel costs. Stokers manufactured in our works under foreign supervision and guaranteed for 2 years with free service during that period.

●

ESTIMATES FREE

A NEW CHINA AND A NEW CIVILIZATION

(Continued from page 177)

in the democratic countries in being able to exercise strict "control" by the State over the activities of the capitalists and bankers; and from the Communist system, in permitting both the public and private ownership of the property to exist. This New Economic Order has distinct advantages over both of them in having planned economy for the economic development of the nation, and in the generalization of the ownership of the property by the individuals.

(3) *The Remaking of Man:* It goes without saying that the Chinese people, with the exception of the bankers, sky scraper-owners and other capitalists, are the most miserable people. The average of their income is probably the lowest among the people in the world. Their productive as well as purchasing power is also very low. Indeed, there is every necessity "to remake the man."

But we believe the "Remaking of Man" is now taking place rapidly in China today. Articles 25 to 28 of the new Kuomintang platform calls for the "training of the masses in the country for service," "organization of various associations of farmers, laborers, merchants and students," "taking of the relief measures," "training of the war refugees and the unemployed." Articles 29 to 32 of the same platform call for the change of the present educational system, and the "generalization of the education."

Education Emphasized

The platform of the National-Socialist Party (Section "D") also calls for the "educational reconstruction," the "universalism of education," and the "enforcement of the compulsory education" (Articles 73, 79, 80 and 85), the "polytechnikization of education" (Article 91), the "increasing of the productive power" of the people (Article 74), the "training for life" (Articles 75, 81, 82, 83 and 84), the "training for community life" (Articles 76 and 89), and the "establishment of child and infant creches" (Articles 86 and 90), etc.

It is not necessary for us to cite any articles from the platform of the Communist Party to show the "Remaking of Man," as this party is generally known as the champion and promoter of the mass movement, mass activities and the community life.

Therefore, it is clear that the Chinese are beginning to remake man by the generalization and polytechnikization of education, improvement of the health of the people, and caring for the welfare of the community by the state. To sum up the platforms of these parties, the "Remaking of Man" aims, therefore, at making man a citizen to participate in political affairs and national life, to be a research worker in the scientific laboratories in peace time, and the defender of the Nation on the battlefields in the war time; and, on one hand, as "a producer" in order to abolish by the natural way involuntary unemployment, and on the other, as "a consumer" as well as "a distributor" of what "the producer" can produce for the community. On one hand, the "Remaking of Man" wants to make man "a ready product," by training him from his childhood to serve his fellow beings and to bring up a well-to-do-for-all community, and to be an integral part of the Nation. On the other the program enables man to enjoy what is due him, not by virtue of his wealth but as a citizen of the Republic.

The timely organization of the "Three People's Principles Youth Corps" by Chiang Kai-shek certainly serves many purposes to come. They will form huge crowds of "Saturdayers," "Shock Brigades" and "Van Guards" to expedite the making of the New Civilization. The Generalissimo, in his lengthy letter to the youths in the country, after pointing out the "three purposes for the organization of the Youth Corps," reminded the Chinese youths of the life principle of the late leader, Dr. Sun Yat-sen, that is: "To serve but not to be served." He urged every youth to volunteer himself to participate in the productive work "at least for ten hours per week," "so that they will get in touch directly with the masses to know more their difficulties," and "by virtue of the merit of their service, they will have the confidence of the people."

Two New Civilizations

Looking northward, China finds that her friendly neighbor—the Soviet Union—once in the same miserable condition, has been rejuvenated, and has now built up a "New Civilization" to the surprise of the world. Both of us have just passed the revolutionary period. The Soviet Union faced foreign aggression before. We, the Chinese, are now also facing foreign aggression. The aggressor who invaded the Soviet territory before is now invading the Chinese territory. But in both cases, the aggressor could never annihilate us. Their aggression only serves a strong stimulus to the people of these two nations to struggle harder than ever. As the famous Chinese proverb says: "A nation always rejuvenates and emerges powerful out of its crisis." So here comes A New Russia and a New Civilization! Here comes A New China and a New Civilization!

That is to say: nearly two-thirds of the people in the world (the population of the Soviet Union is one-sixth of the world population, and China, one-fourth) are now spending their full time in the human laboratories to find out the desired solution and to build "A New Order of Things" for the world, and are devoting themselves to solve many of the pressing problems facing the world today. While the Soviet Communism is now already a "New Civilization," the New China Nationalism is also a "New Civilization"!

Chungking, September 10, 1938.

THE SINCERE CO., LTD.
NANKING ROAD, SHANGHAI

Presenting a Variety of the World's Finest Merchandise

ALSO OPERATING
ORIENTAL HOTEL
AND
RESTAURANT

AND

SINCERE'S DOLLAR STORES
AVENUE JOFFRE BUBBLING WELL ROAD

'A ENMITY OF A HUNDRED GENERATIONS'

(Continued from page 187)

generally the moderates and advocaters of peace, have no longer any reason to plead for peace, when their business investments and interests have been either totally or partially wiped out as a result of the present war. Many of the factories have been totally wrecked by the Japanese bombers, and those who fortunately escaped from the devastation of war have fared no better at the hands of Japanese soldiers. The factory premises have been occupied, and their machinery, seized and removed as scrap iron. Any important establishments, which remain intact, are now regarded as Japanese properties, and the Chinese owners cannot reclaim their ownership and resume their operations without "purchasing" the Japanese cooperation.

The so-called Sino-Japanese co-operation is but a Japanese domination under another name. In this circumstance, how can the Chinese industrialists entertain any friendly feelings toward the Japanese? The merchants, likewise, have received no better treatment from the Japanese. All the means of shipping facilities within the occupied areas have been under the Japanese control, and exorbitant rates are charged on the shipments of goods. In shipping goods to or from inland cities, the Chinese traders have to secure the Japanese assistance in procuring military permits, oil the palms of all concerned, and pay taxes of different appellations on the way. Oftentimes, they have to wait for weeks for the safe delivery of their shipments, for all the waterways and highways, because of this reason or that, may be closed to traffic at one moment's notice.

What profit they may secure under great risks is mostly eaten up by bribes, fees, taxes and freight, nearly all of which go into the Japanese pocket. Thus how can the Chinese merchants submit themselves to this rule without a sense of hatred and revenge?

The farmers, the most peace-loving people of all, have been more causes of enmity against the Japanese invaders. They have been forced to leave their good earth and their humble homes to seek refuges elsewhere. Their draft animals have been killed; their harvests, seized; and their homes, looted. Oftentimes, on the pretext of clearing out the guerilla bands, whole villages have been burned down; and their inhabitants, massacred without discrimination as to age and sex. The farmers of many districts are now being faced with eviction from their own fields which they might have cultivated for centuries, because of the immigration of a large number of Formosan farmers. Though most of them are illiterate and ignorant, yet they are human beings. How can they look at these burnings, pillagings and slaughterings cynically without keeping in their minds and confiding to their children the name of their enemy?

Besides, without mentioning any particular class, all the people in the occupied areas have their different causes of hatred against the Japanese. Their homes may be either looted or burned down; their family members or relatives, either killed or murdered; and their wives and daughters, either raped or seized. Every one, except possibly the puppets and running dogs, has more or less borne a loss, the thinking of which would make us painful in the day and sleepless at night. Can we forget the name of him who has caused us this loss? And is it justifiable that we should call him our bitter enemy?

No Cooperation

The talk of Sino-Japanese cooperation had many supporters prior to the present hostilities. But the brutal force released by the Japanese has clearly established the fact that there is no basis whatsoever for the two peoples to come together and form a genuine friendship. The Chinese people by nature do not easily take offence, but when they are offended, they do not easily forget. The people along the Chekiang Coast to the present day are still recounting with bitter hatred the atrocities committed by the dwarf marauders in Ming Dynasty.

While we have only life-long friendship, we have such a term as "an enmity of one hundred generations." In letting loose the brutal force, the Japanese have not only helped the Chinese Government in presenting a stronger united stand against the Japanese aggressions, but have also sown a seed of deep hatred, which will prove costly to the Japanese, no matter what will be the outcome of the present hostilities.

Welles Appraises European Crisis

"The present moment is perhaps the most favorable one for the establishment of a new international order based on justice and law," Summer Welles, American under-secretary of State, declared on Oct. 3, speaking over a nation-wide radio hookup from Washington. Welles outlined the diplomatic action of the U.S. government in the recent European crisis and commented on the agreement concluded in Munich by the leading statesmen of Great Britain, France, Germany and Italy. Welles said:

"There is no doubt that the strong will for peace which has been evident throughout the world during the last few weeks, has been one of the decisive factors which helped to avoid an armed conflict. The present moment is perhaps the most favorable for the establishment of a new international order based on justice and law. Peace cannot be negative. It cannot be brought about by abstention when the trend of events is leading to war."

THE HOLY BIBLE

AUTHORIZED BIBLE. REVISED BIBLE.
OXFORD CONCORDANCE BIBLE.
OXFORD TEACHERS' BIBLE.
SCOFIELD REFERENCE BIBLE.
FERRAR FENTON'S TRANSLATION.
MOFFATT'S TRANSLATION. COMPANION BIBLE.

"The Secret of Britain's greatness is the Bible."—Queen Victoria.
Editions available in English and in Chinese.

The Columbia Encyclopedia in one volume. Compiled and edited at Columbia University, New York. 1000 pp..... **G$17.50**

The Oxford Companion To English Literature. By Sir Paul Harvey . 920 pp..... **15s.**

The Oxford Companion to Classical Literature. Compiled and edited by Sir Paul Harvey. 490 pp..... **7s.6d.**

The Oxford Companion To Music. By Percy A. Scholes. 1088 pp. 140 half-tone plates..... **21s.**

For or under the auspices of the Royal Institute of International Affairs :

Survey Of International Affairs. 1936. By A. J. Toynbee..... **25s.**

British Year Book Of International Law, 1937. Edited by Sir J. F. Williams and Prof. A. D. McNair..... **16s.**

International Sanctions..... **12s.6d.**

A Shakespeare Bibliography. Supplement for the years 1930-1935. By W. Ebisch and L. L. Schucking..... **5s.**

Original work **A Shakespeare Bibliography** **21s.**

Besides their General Catalogue the Oxford University Press issues several special catalogues available upon request including :

The Select Catalogue ; Being a selection of Oxford Books offered for General Reading.

Oxford Editions of Poetical Works and Other Standard Series
The World's Classics : A descriptive catalogue
Oxford Books for Schools, etc. etc.

AVAILABLE ON REQUEST :

The China Periodical, containing a list of some of the latest religious and devotional books published in Great Britain and the United States.

The **Index** and **Supplement** containing an up-to-date classified list of the literature in Chinese published under the auspices of the Protestant Christian Missions and Churches in China, including religious and devotional books, and books on medicine, nursing and music.

Books may be ordered through the
KWANG HSUEH PUBLISHING HOUSE
140 Peking Road, Shanghai.

Who's Who in China

Co Tui, surgeon and university professor; born at Chuanchow, Fukien, 1897; went to the Philippine Islands, 1906; studied at the Philippines primary and intermediate schools; B.A., University of the Philippines, Manila, 1917; M. D. College of Medicine and Surgery, University of the Philippines, 1922; Resident, Chinese General Hospital, Manila, 1922-23; Internship, Michael Reese Hospital, Chicago, Ill. 1923-25; associated in the practice of surgery with a Chicago surgeon, 1925-28; Instructor in Pharmacology, New York University College of Medicine, 1929-31; Assistant Professor of Pharmacology, same University, 1931-32; Clinical Professor, Experimental Surgery, 1932-34 and Associate Professor, Experimental Surgery, since 1934; member of the following societies: American Association for the Advancement of Science, American Pharmacological Society, Harvey Society; Honorary Fellow and President-elect of International Anesthesia Research Society, 1937-38, Fellow of New York Academy of Medicine and New York Academy of Sciences; author of numerous articles on surgery; address: College of Medicine, New York University, N. Y.

許肇堆字士愼
Co Tui (Hsu Chao-tui)

IS YOUR BABY
GETTING A TOOTH?

YOUR BABY must "get a tooth". But he need not get a fever with it.

If baby's mother is wise he won't.

Here is what one wise Canadian mother, Mrs. Archie Begbie, of Consecon, has to say: "We have not lost one night's rest through teething as I always use my old standby, Baby's Own Tablets. They are worth their weight in gold."

And Mrs. Alfred Hauser, of Guelph, Ont., says: "I have eight children, have used Baby's Own Tablets for 21 years, and find them very beneficial during teething."

Give these safe little tablets at the first sign of teething fever. Sweet-tasting, easy to take, prompt in action, yet safe for the most delicate baby. Analyst's certificate in every package.

Effective in Constipation, Simple Fever, Diarrhoea, Upset Stomach, Colic, Simple Croup and Fretfulness. Get a package today. Sickness so often strikes in the night. Of all chemists.

CUSTOMS NOTIFICATION NO. 1632.

Notice is hereby given that, Monday, the 10th October 1938, being a Customs Holiday, the Custom House will be closed and the shipment and delivery of cargo suspended on that date.

(L. H. LAWFORD)
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th September 1938.

Exclusive

Representatives in China

for

Genuine MASONITE Products

●

GETZ BROS. & CO.

BUILDING SUPPLIES DEPT.

SHANGHAI

66 NANKING ROAD TELEPHONE 16853-2-1

Men and Events

H. G. W. Woodhead, editor of the monthly *Oriental Affairs*, has gone to Tokyo on a combined pleasure and business trip.

The Italian Consul-General, Com. Liugi Neyroni, returned to Shanghai last week aboard the Italian steamer Conte Verdi from Trieste.

The Szechuen provincial government, according to *Kuomin* has ordered all postal carriers to undergo military training for a period of three months.

Fumio Yamane, Director of *Domei* and president of the *Nichi-Nichi Shimbun*, leading Tokyo newspaper, died of apoplexy on Sept. 28 at the age of 56-years.

A new motor highway connecting Kunming, capital of Yunnan Province and French Indo-China, will be formally opened and inaugurated on Oct. 10, according to *Kuomin*.

C. J. Chancellor, general manager of *Reuters* Service in the Far East, departed for Hongkong early this week. K. Selby-Walker will be in charge in Mr. Chancellor's absence.

The Ministry of the Japanese Imperial Household announced on September 29 that an addition to the Imperial Family is expected in February. It will be the Empress' seventh child.

Father Jacquinot, chairman of the Nantao Safety Zone, departed this week for Hongkong and may proceed to Hankow for a conference with the Chinese authorities over relief matters.

A new regulation of the Manchukuo Government requires foreigners to obtain "exit" visas when leaving the country, but according to the decree the only foreigners affected are those who require "entrance" visas.

According to *Domei*—"Four Buddhist priests of the Nichiren Sect arrived in Shanghai from Japan on Oct. 3 wearing brocaded surplices over their khaki uniforms. They will tour the Nanking and Hangchow areas extendlng spiritual comfort to Japanese soldiers."

A report in the Tokyo *Asahi* from Peiping said that the Japanese demand for North China coal was so great that there would be a shortage of 1,200,000 metric tons—indicating that there is no hope from that quarter for relief from the coal famine in Shanghai.

The Chinese authorities have established a new broadcasting station at Kweiyang, capital of Kweichow province. It will be known as XJSA, will operate on a frequency of 7,140 kilocycles and will broadcast daily (Chungking time) at 7 : a. m., 12 : 30 p.m., 7 : 50 and 9 : 50 p.m.

According to the *Sin Wan Pao*, British claims against the Japanese for losses resulting from the war exceed £100,000,000, of which £80,000,000 represented losses in Shanghai alone. The British authorities have lodged detailed claims with the Japanese authorities in Tokyo.

H. A. De La Trope, former foreign editor of *Deutches Nachrichten Buero*, Berlin, arrived in Tokyo on Oct. 1 where he will serve as Press Attache at the German Embassy, a new position recently created by the Nazi administration. He was accompanied by his wife, son and daughter.

Mrs. Donald Roberts, B. A., M. A., of the faculty of St. John's University, will give a series of talks on current world affairs on Thursdays throughout October and November at the Y.W.C.A., 999 Bubbling Well Road. The talks were scheduled to begin on Oct. 6 and will begin at 11 a.m.

Wong Tsu-do, 25-year old salt merchant at Kiangyin, arrived in Shanghai on Sunday of this week after a five day trip in a sampan, with two serious bullet wounds in his arm. He said robbers had invaded his shop, shot him and looted the premises. He was taken to St. Luke's hospital for treatment.

J. W. T. Mason, for many years connected with *United Press*, but now retired, arrived in Tokyo on Sept. 22 with the manuscript of a new book "Spirit of Shinto" which he hopes to have printed in Japan. Mr. Mason, following his retirement, devoted several years to a study of Shinto in Japan.

The Japanese paper Shanghai *Mainichi* said that the Japanese Chamber of Commerce here is seeking to obtain a new type corporate charter which will make membership in the organization on the part of Japanese merchants compulsory. The new regulations are expected to go into effect before the end of the year.

Major-General Takeo Hino, Japanese Army officer connected with the Manchukuo Army died in Hsinking on Oct. 1 as a result of wounds received on Augut 28 when he and a contingent of troops was ambushed by some 100 Chinese "Communist" troops on the Ussuri River in Juoho hsien of Sankiang province.

Miss Eleanor M. Hinder, director of the Industrial Section of the Municipal Council of the International Settlement, returned to Shanghai last week from leave which began last Januarv. During her vacation Miss Hinder visited Miss F. Perkins, U. S. Secretary of Labor and Walter Brown, British Minister of Labor.

The old German steamer, Cap Finisterre, awarded to the Japanese as part of the reparation agreement after the World War, and now known as the Taiyo Maru, has been transferred from the trans-Pacific run to the Shanghai-Japan route. The vessel is of 14,457 tons and carries 91 first class, 241 second and 403 third class passengers.

To Prepare Yourself for the Future

Join

THE COMMERCIAL PRESS CORRESPONDENCE SCHOOLS

(Established in 1915)

MIDDLE SCHOOL

Subjects offered now are :

Chinese - English - Japanese - Mathematics - Natural Science - History and Geography - Library Administration.

COLLEGE

60 Subjects in 15 Departments are now conducted under experts.

Write for Prospectus from

THE COMMERCIAL PRESS, LTD.

211 Honan Road, Shanghai

In the United States Court for China

In re. IN THE MATTER OF THE ESTATE of ERNEST HIEBER, Deceased.	Cause No. 4355 Special Proceedings No. 2234 NOTICE Filed at Shanghai, China, September 19th. 1938. William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ERNEST HIEBER, deceased, to present the same with vouchers to the undersigned on or before March 24, 1939, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

H. D. RODGER,
320 Szechuen Road, Shanghai, China.

Shanghai, China
September 19, 1938.

T. R. Scanlon, manager of Sunland Sales Association, returned to Shanghai this week from a trip to the United States.

Miss A. Viola Smith, U. S. Trade Act Recorder, who has been in the United States for several months, returned to Shanghai this week.

B. W. Fleisher, publisher of the *Japan Advertiser*, American paper in Tokyo, departed for the United States on Sept. 28. He was accompanied by Mrs. Fleisher.

Dr. John Earl Baker, former director of the International Red Cross and secretary of the International Relief Committee, was guest of honor at a dinner and reception given by members of both organizations on Thursday evening of this week. Dr. Baker is departing shortly on a trip to South and Southwest China.

Marc T. Green, well known writer for American newspapers and magazines, formerly traveling correspondent for the *Christian Science Monitor*, arrived in Shanghai this week from Straits Settlements and French Indo-China. Mr. Green is now writing for the *Baltimore Sun* and other papers. He is staying at the Shanghai Club.

The number of unemployed in Japan, according to the *Osaka Mainichi*, is 4,000,000, which represents a considerable increase since the introduction of "totalitarian" measures in imitation of the Nazi program in Germany. Of the 1,500,000 women workers normally employed in the cotton mills of Osaka, some 750,000 are now unemployed.

Dr. H. H. Kung, President of the Executive Yuan, announced on Oct. 3 that China will participate in the World Exposition in New York, commemorating the 150th anniversary of the inauguration of George Washington as first President of the United States. Dr. Kung urged Chinese organizations to send the best agricultural, industrial and artistic products to the exposition.

The British Military Headquarters on Sept. 30 announced that no orders had been received here for the withdrawal of the Durham Light Infantry to Hongkong, similar to the withdrawal of the Seaforth Highlanders at the time of the crisis in Europe. The Durhams were due for relief by the East Surrey Regiment on Oct. 7, but it was reported that the East Surreys were sent to Singapore instead.

The plant of the Commercial Press, leading Chinese printing concern, located in Wuchow, Kwangsi province, was bombed and destroyed by Japanese planes, according to a report in the *Sin Wan Pao*, stating that the loss would exceed $200,000. Following destruction of its main plant in Shanghai in 1932 as a result of Japanese airbombs, the Company adopted the plan of establishing departmental branches in interior cities.

Byron Stansfield, manager of the Shanghai office of the China Import and Export Lumber Company, was married on Friday, Sept. 23 to Miss Vera Pearson, daughter of Mrs. D. C. Pearson of Shanghai. The ceremony was said by the Rev. John P. Minter of Community Church. Following the ceremony, Mr. and Mrs. Stansfield departed on a trip to Japan and upon their return they will be at home at 720 Rue Frelupt, French Concession.

Mrs. J. S. Haldane, wife of the English Professor Haldane, who is visiting in Hankow, stated in the course of an interview with *Reuters* on Sept. 29 that the boycott of Japanese goods by the people of Great Britain is effective and is evidenced in the dwindling exports of Japan to England. British women have ceased to wear silk underwear and stockings of Japanese make and for the first time no Japanese toys or crackers will be sold in England for the coming Christmas.

Mrs. Katherine Seelye Wallace, who accompanied her husband to China in 1929 with the Kemmerer Financial Commission, died in Washington, D. C. on August 17. She was a native of Fairfield, Iowa and a graduate of Wooster, Ohio, College. From 1913 to 1916 she taught music at Tsing Hua College in Peiping and while in China in 1929 she taught English at the Mary Farnham School for Girls and at the Lowrie Institute for Boys, under the auspices of the Presbyterian Mission.

A *Reuter* report from Moscow on Sept. 28 alleged that the Commander-in-Chief of the Soviet Red Army in the Far East is now "in eclipse." Authority for the statement was given as an article in the Army organ *Red Star* which said that Marshal Klementii Voroshilov, Commissar of Defense and his deputy M. Leo Makhlis, had been elected chairmen of the conference of political commissars of the Far Eastern Red Army, while Marshal Vassilii Bluecher's name was not mentioned.

Two Japanese newspapermen, Yoshiaki Takata, 24-years old, correspondent for the California Daily News of San Francisco, and Tsutomu Matsuda, 28-years, correspondent for the *Taiwan Nichi-Nichi*, were killed this week by Chinese artillery fire on the Yangtsze. Four other Japanese newspapermen were wounded, Kyuma Azezaki of the *Yomiuri Shimbun*, Sakikatsu Iijima, *Kodo Nippo*; and two others who received minor wounds. The newspapermen were aboard a Japanese transport, the location of which was not given. Three other newspapermen were wounded on Sept. 22 which observing the fighting along the Nanchang-Kiukiang railway, Noboru Asada of the Tokyo *Nichi-Nichi*; Takeyoshi Watanabe, radio operator, and Kanichi Miyawaki, messenger, also with the *Nichi-Nichi*. Their injuries were due to trench mortar shells.

The Curtis Aviation Corporation of the United States has sent two engineers to Yunnan and Kweichow provinces for the purpose of superintending the construction of airplane assembly factories in the two provinces, according to a report in the *Sin Wan Pao*. The engineers arrived in Hongkong sometime ago and are now traveling in Kweichow and Yunnan. The Curtis plant, previously located in Hangchow, was removed to the interior shortly after the outbreak of hostilities last year.

A report from Chungking on Sept. 28 stated that a British woman, Mrs. J. H. Moyhing, wife of the insurance manager of a British firm, Barry and Dodwell, was slapped by a Chinese student. The action of the student was unprovoked, according to the report which stated that Mrs. Moyhing was proceeding along the street when two students stepped in front of her sedan chair and one of them slapped her. E. W. P. Mills, British Consul-General referred the incident to the Chinese authorities.

More than 200 Chinese and foreigners attended a memorial service at the Chinese Y.M.C.A. on Friday afternoon, Sept. 30, for Mr. and Mrs. Sidney Yang who were killed when the Japanese forced down and machinegunned the C. N. A. C. airliner Kweilin near Canton on August 24. Mr. Yang was connected with the Insurance Company of North America and was well known in Shanghai. Prof. M. E. Votaw of St. John's University delivered the memorial speech, referring to Mr. Yang's student days at the University.

The Chinese paper *Hua Mei Chen Pao* reported that a serious fire occurred in the basement of the New Asia Hotel in Hongkew on Sept. 20, which was started from a large quantity of gasoline stored on the premises. A great many documents belonging to the Nanking "Reformed" government were destroyed in the fire, according to the report. The New Asia Hotel, owned by Cantonese, was seized by the Japanese Army last year and since has been used as headquarters for Japanese intrigue and terrorist activicties.

Mr. and Mrs. Paul Barentzen, residents of China for the past 34 years, departed from Shanghai on Sept. 29 for the British Kenya Colony in Africa where they plan to reside in future. Mr. Barentzen came to China in 1904 and jointed the Customs Service, serving in all grades, including Commissioner at Shanghai and other points. From 1932 to 1935 he was tariff secretary to the Inspector-General, Sir Frederick Maze. He was awarded the Customs Gold Medal by the Chinese Government and was decorated by the King of Denmark.

Miss Jane Howard, daughter of Roy W. Howard, chairman of the Scripps-Howard newspapers, arrived in Tokyo on Sept. 26 for a visit of several weeks. Miss Howard is connected with the *Honolulu Advertiser*. Last June Miss Howard flew from Honolulu to Hankow where she interviewed Madame Chiang Kai-shek and Dr. H. H. Kung. While in Japan she plans to interview Premier Konoye and Gen. Araki. She was quoted in the *Asahi* upon her arrival as saying, "I am truly surprised at the tranquility of Tokyo. It is as if nothing had happened. The Japanese are a peace loving people."

Julean Arnold, U. S. Commercial Attache, now in the United States on leave, said that the United States had lost U.S.$200,000,000 as a result of Japan's military activities in China. The statement was made in the course of an address delivered before the Foreign Trade Association of San Francisco on Sept. 29. Mr. Arnold also declared that a Japanese victory probably would ruin all future trade, reducing American markets for cotton and tobacco to infinitesimal proportions. The Open Door, according to Mr. Arnold works two ways, one side marked "in" being reserved for Japanese only. The other, marked "out" is reserved for all others.

PRIDE DRY CLEANING CO INC

Shanghai's Foremost Cleaners

For Your Autumn Cleaning Call 32876

H. P. HALL, *Owner and Mgr.*

Excess Fat Ages Prematurely.

Excess of unhealthy fat takes years off your life but adds them prematurely to your appearance.

Unhealthily fat people are often habitually constipated people. Spots and pimples, liverishness, sick headaches, bilious attacks and lassitude are additional evils which result from the body's wastes accumulating in the system and poisoning the blood.

If you are over-fat, liverish, constipated, get back to your normal weight and fitness with aid of Pinkettes, the dainty little laxative liver pills which neither pain nor purge. Gently yet surely Pinkettes stimulate the liver, accelerate digestion, relieve piles, restore the natural 'daily habit', thus promoting cheerful activity and efficiency. Pinkettes—laxative perfections—are to be had at all chemists.

What's Behind the Sino-Japanese Conflict? These Books Will Inform You—

JAPAN IN CHINA, by T. A. Bisson ..... A complete and deeply interesting record of the political and social changes that have taken place in both China and Japan.	$18.00
THE UNCENSORED FAR EAST, by Hessell Tiltman	18.75
JAPAN, The Hungry Guest, by G. C. Allen	15.75
IMPERIAL JAPAN, 1826-1938, by A. Morgan Young	18.75
TOGO And the Rise of Japanese Sea-Power, by Edwin A. Falk. Popular Edition	7.50
JAPAN'S FEET OF CLAY, by Freda Utley New and cheaper edition, revised	11.25
JAPAN DEFIES THE WORLD, by James A. B. Scherer. An "inside" story	13.75
CHALLENGE: Behind the Face of Japan, by Upton Close	6.00
WHAT WAR MEANS: Japanese Terror in China, by H. J. Timperley	11.25
JAPAN IN TRANSITION, by Emil Lederer	16.50
MILITARISM AND FOREIGN POLICY IN JAPAN, by E. E. N. Causton	11.25
THE SHANGHAI PROBLEM, by William C. Johnstone	18.00
CHINA FIGHTS FOR HER LIFE, by H. R. Ekins	15.15
THE STRUGGLE FOR THE PACIFIC, by G. Bienstock	18.75
JAPAN IN AMERICAN PUBLIC OPINION, by E. Tupper and G. E. McReynolds	20.65
CHINA AND JAPAN. A concise statement of facts essential to an understanding of the Far Eastern situation	3.15
THE STRONG MAN OF CHINA. A biography of Chiang Kai-shek, by Robert Berkov	16.50
CRISIS IN CHINA, by James M. Bertram ..	15.75
CHINA, by F. C. Jones. (Modern States Series) 2 vols. complete	10.50

CHINESE AMERICAN PUBLISHING CO.

THE AMERICAN BOOKSHOP

160 Nanking Road, Shanghai Tel. 16844

In the United States Court for China

FORTUNA R. AQUINO CANCIO,
Plaintiff,
vs.
RAFAEL CANCIO,
Defendant.

Cause No. 4356
Civil No. 2235
ORDER.
Filed at Shanghai, China, September 16, 1938
William T. Collins,
Clerk.

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by her attorney, has this 16th day of September, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 16th day of September, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 16th day of September, 1938, Fortuna R. Aquino Cancio, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last year previous to the 16th day of September, 1938;

NOW THEREFORE it is this 16th day of September, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 8th day of October, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

NELSON E. LURTON,
Special Judge.

SWAN, CULBERTSON & FRITZ

Investment Bankers
and Brokers in Securities and Commodities
Daily New York and London Stock Exchange Service

Sassoon House **Telephone 11200**

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches

Your work should bear our imprint

The airmail and passenger services of the Eurasia Aviation Corporation between Hongkong and Hankow have been resumed, according to a *Reuter* report from Hankow on Sept. 30. The service was discontinued as a result of the forcing down of two of their planes by Japanese pursuit planes in Hunan and Kwangtung provinces recently.

Frank Glass, for many years engaged in newspaper work in the Far East, returned to Shanghai this week from a trip of several months in the United States, much of which time was devoted to lecturing in various parts of the country. Mr. Glass said that sympathy for China's cause was growing and that a profound conviction prevailed that Japanese imperialism is foredoomed to defeat in its latest adventures in China.

The health squads of the International Settlement cremated 47,485 corpses in the period of fourteen months which have elapsed since the beginning of the Sino-Japanese struggle, according to a report of the Council on Sept. 29. Practically all of the corpses were those of refugees or destitute persons who lost their jobs or homes as a result of the war. In addition to those cremated, the ordinary burials and coffins placed in storage or shipped from the city brought the total number of bodies handled to 81,845. Those shipped to the interior numbered 2,903, those stored for future shipment or local burial numbered 7,486 while those still on hand number 23,971.

R. C. A. Map-Maker Didn't Know About the Nationalist Flag

The R. C. A. Victor Company, makers of radios, phonographs and records, recently issued, for advertising purposes, a map of the world showing places where the company's agents are located. Around the border were reproduced in colors the flags of the various nations.

The manufacturer of the map, which carried the "Made in U. S. A." label, apparently had never heard of the Chinese Nationalist Flag, or the map was intended for distribution in Japanese-occupied territory, for the Chinese flag was the old "five-barred" emblem which was discarded eleven years ago when the Nationalist Government came into power.

When the local distributors of R. C. A. Victor products issued the map, local Chinese agents noticed the old flag and complained to local Chinese organizations, including the Chamber of Commerce, Civic Association, Residents Association, National Chamber of Commerce and Shanghai Educational Association.

As a result of protests by there organizations, the officials of the R. C. A. Victor Company apologized for the error and ordered the maps destroyed. There was also some complaint about the coloring of the map as Outer-Mongolia was shown in the same color as Japan while Manchukuo was indicated in light-green, the same color of Ethiopia and Libya, but this was not regarded so seriously as the use of the old flag, which the Japanese are trying to re-introduce in areas controlled by their army.

Fong F. Sec, Noted Chinese Rotarian U. S. Returned Student, Dies

Dr. Fong F. Sec, for many years head of the English Editorial Department of the *Commercial Press*, died at the Dah Wha Hospital in the French Concession on Oct. 3 at the age of 68 years. Burial was on Wednesday at the Hungjao Road Cemetery, the service being read by the Rev. Carleton Lacy. Dr. Fong is survived by Mrs. Fong and five children, four of them, Lucile, Mary, Mac and Baldwin being in Shanghai while a married daughter, Mrs. Philip Ho is in Singapore. Dr. Fong was a Cantonese who went to the United States as a small child and received his education at the University of California and Columbia University. He was awarded an honorary L.L.D. degree by Pomona College recently. In recent years Dr. Fong became prominent as a Rotarian, attending several international conventions of the organization as representative of the Shanghai district branches. He was also for many years Secretary of the National Committee of the Y.M.C.A.

Japanese in America Buy Nippon "Patriotic" Bonds for China War

The Young Japanese Patriotic Society of America has purchased Yen 1,000,000 worth of Patriotic Bonds for use in financing Japan's war in China, according to a statement of the Tokyo Minister of Finance, which was published in the *Japan Chronicle* on Sept. 22. The Japanese organization has its headquarters in San Francisco and has 70 branches in various parts of the United States, with a membership of about 6,000. In remitting the money to Japan the organization stated that as the members were precluded from fighting for Japan they were sending money instead.

Yen-Dollar Rate Raised

Recouping its recent losses the Yen exchange rate against New York reached a level of $28, following a rise of 5¼ cents in the Anglo-American cross rate. The Yokohama Specie Bank on Oct. 2 raised the Yen-Dollar rate by 2½ points to $28 3/16 per Yen 100.

New Books of Interest in the Far East

About Living Standards

Preliminary Investigation into measures of a National or International Character for raising the standard of Living, prepared by N. F. Hall for the Economic Committee of the League of Nations. 91 pages. 2/.

The title of this work alone causes the reader to take a deep breath, and after a few pages he is struck by the hardly believable magnitude of the subject. The general lack of confidence in the future, with no clear objective towards the attainment of which economic policies should be directed, says the author, can be removed. First, by giving a clearer sense of direction to economic activities generally, and secondly, "by inducing and deepening a sense of conviction that technical progress in industry, agriculture and transport has created for the world as a whole unique opportunities for promoting human welfare by wisely balanced increases in production and by well-planned measures of economic co-operation between nations."

Mr. N. F. Hall, director of the National Institute of Economic and Social Research, London, prepared the memorandum. He advances the idea that the first step in any concerted international action for further advance in human welfare should be the ascertainment of the extent to which existing standards of living fall short of the minimum desirable. He insists governments can do much to promote increased production and consumption by paying careful attention to relative prices charged consumers for necessities; by wisely planned taxation systems; by applying appropriate social policies, and by facilitation of consumer education concerning advances in science and productive technique. Considerable attention is paid to the practical possibilities of raising standards of live, and suggestions made as to the development of primitive communities.

M. V.

Two Australian Publications

The August-September number of the AUSTRAL-ASIATIC Bulletin does not contain as much of vital interest to China readers as did the June-July issue, since no article is devoted to China, Japan or their problems, other than a few reprinted press comments. Wilbur Burton, former Shanghai newspaperman, contributes a paper on the status of the Philippines, in which he says there is an evergrowing lack of desire on the part of Filipino leaders for complete independence in 1946.

The seventh George Ernest Morrison lecture in ethnology has been printed. It was delivered by Prof. Aldred F. Barker of Chiao-Tung University, who was visiting in Australia, on "The Impact of Western Industrialism on China." Dr. Morrison, it will be remembered, was for many years correspondent for the London Times and adviser to the Chinese government. The yearly lecture in his memory is sponsored by Chinese residents in Australia.

$300,000,000 Remitted Home by Overseas

In a short period of six months from January to June, 1938, Chinese overseas remitted back a total of $300,000,000, according to well-informed financial circles. It may be noted that in power years the total amount of remitteances by these overseas in a year was about $300,000,000. It is expected that the total remittances this year will be around $600,000,000.

Mosquitoes And Malaria.

Like many other evil-doers, the malarial mosquito keeps under cover during the day and sets out upon her wicked work after sun-set. Then she proceeds to inject a few malarial germs into each person she bites, and unless the blood of her victim is pure enough, and strong enough, to destroy these germs, they rapidly multiply, and an attack of malaria is the result.

What then is your surest method of defence? Obviously it is in keeping your blood stream rich and red and good. This can best be done with the aid of Dr. Williams' Pink Pills, because these pills rapidly increase both red corpuscles and iron in the blood, and thus are an extraordinarily fine blood tonic and blood builder.

Also as malaria causes anaemia, for which Dr. Williams' Pink Pills are the world's most renowned remedy, they are splendid after attacks of malaria or other fevers, or in convalescence after serious illness, to rebuild strength and restore health. Chemists everywhere sell them.

PAINTS AND PAINT WORK

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

In the United States Court for China

HARVEY SANBORN WALSETH
Plaintiff,
vs.
ANNE STEWART WALSETH,
Defendant.

Cause No. 4358
Civil No. 2237
ORDER
Filed at Shanghai, China September 22, 1938.
WILLIAM T. COLLINS
Clerk

The object of this suit is an action for divorce for the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorney, has this 22nd day of September, 1938, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of September, 1938, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of September, 1938, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein for more than six months last past from said date, and that defendant's last known address was c/o Lucette Fischer, 3511 Elliott Street, San Diego, California, U.S.A.

NOW, THEREFORE, it is this 22nd day of September, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most liekly to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 8th day of October, 1938, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 22nd day of September, 1938.

NELSON E. LURTON,
Special Judge.

上海
大新有限公司

Air - cooled in summer — Steam - heated in winter.
The only building in Shanghai equipped with escalators.

Catering to a discriminating public, this store offers a complete line of quality merchandise, both imported and domestic.

Meet Your Friends and Do Your Shopping

at

THE SUN CO., (SHANGHAI) LTD.

(Affiliated with The Sun Co., Ltd., Hongkong & Canton)

C/r Nanking, Yu Ya Ching & Lloyd Roads, Shanghai. Telephone 97000 (5 lines) All Depts.

Get Your Requirements for Autumn

visit

OUR NEW

DEPARTMENT STORE

GROUND FLOOR

Lady's Underwear
Infant's Dept.
Toilet Articles Dept.
Piece Goods Dept.
Shoe Dept.
Fur Dept.
Confectionery & Canned Goods Dept.
Hosiery Dept.
Stationery Dept.
Toys Dept.
Tobacco Dept.
Enameled Ware Dept.
Children's Dress
Leather Goods

FIRST FLOOR

Tailor Dept.
Gents' Outfit Dept.
Shirts Dept.
Underwear Dept.
Hats Dept.

SECOND FLOOR

Sport Goods Dept.
Work Clothes
Bargain Dept.

CHINA A. B. C. UNDERWEAR CO.

562 NANKING ROAD TELS. 91064-5

金城銀行
KINCHENG BANKING CORP.

200 KIANGSE ROAD, SHANGHAI

Paid-Up Capital - - - - - $7,000,000.00
Reserve Fund - - - - - - 3,670,000.00

Efficient up-to-date banking service is a modern daily necessity.
Consult us on all commercial and investment problems.

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED
SPECIAL DEPARTMENT FOR SAVINGS ACCOUNTS, SAFETY DEPOSIT BOXES FOR RENT ON MODERATE TERMS.

HEAD OFFICE: *Shanghai*

BRANCHES:

TIENTSIN	KAIFENG	SINSIANG	SHIHKIACHWANG	WUCHANG
NANKING	PEIPING	SIAN	TAOKOW	TINGHSIEN
SOOCHOW	TSINGTAU	HANKOW	SINPU	TSIAOTSO
CHANGSHA	CHANGSHU	CHENGCHOW	DAIREN	CANTON
PAOTING	HSUCHANG	NANTUNGCHOW	HARBIN	CHUNGKING
				HONGKONG

FOREIGN CORRESPONDENTS:

NEW YORK	LONDON	BERLIN	OSAKA
SAN FRANCISCO	PARIS	TOKYO	

浙江實業銀行
The Chekiang Industrial Bank, Ltd.

Established 1908

HEAD OFFICE: Hamilton House, Foochow Road, Shanghai
(Members of the Shanghai Bankers' Association)

Capital	$2,000,000.00
Bank Reserve Fund	2,730,000.00
Savings Department Capital	200,000.00
Savings Department Reserve Fund	600,000.00

BRANCHES: Hankow, Hangchow.
LOCAL BRANCH: 53 Broadway, Hongkew.

Domestic Correspondents at all principal cities in China.

Foreign Correspondents: London, Berlin, Hamburg, Paris, Brussels, Rotterdam, New York, Chichago, San Francisco, Tokio, Yokohama and Osaka.

Every description of Banking and Exchange business transacted.

LI MING, *General Manager.*

WILLIAM HUNT & CO.

Wharf & Godown Administration

9 The Bund

STATES STEAMSHIP CO.
American Pioneer Line
Roosevelt Line

CHINA FOREIGN STEAMSHIP CORPORATION
Sir William Reardon Smith & Son

FORD V TRUCKS

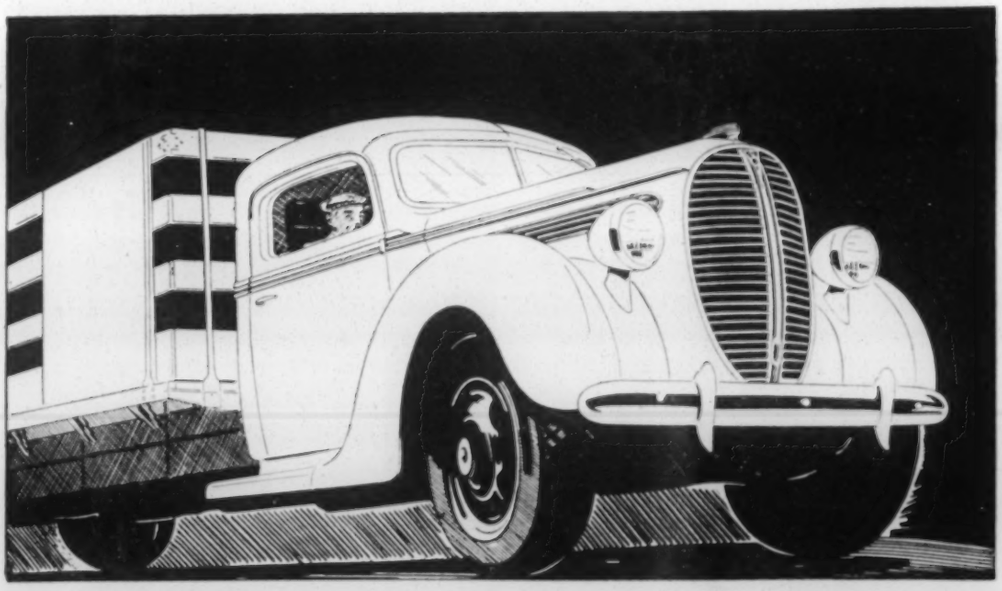
have always proved a

RELIABLE, EFFICIENT AND ECONOMICAL

means of transport

Ford

More Pay in Every Payload



FORD MOTOR CO., EXPORTS, INC.

HAMILTON HOUSE SHANGHAI

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China